



MASHREQ AL ISLAMI SUKUK COMPANY LTD.

(incorporated in the Cayman Islands as an exempted company with limited liability)

U.S.\$2,500,000,000

Trust Certificate Issuance Programme

Under this U.S.\$2,500,000,000 trust certificate issuance programme (the "**Programme**"), Mashreq Al Islami Sukuk Company Ltd. (in its capacities as issuer and as trustee, the "**Trustee**") may, subject to compliance with all relevant laws, regulations and directives, from time to time issue trust certificates (the "**Certificates**") in any currency agreed between the Trustee and the relevant Dealer(s) (as defined below).

Certificates may only be issued in registered form. The maximum aggregate face amount of all Certificates from time to time outstanding under the Programme will not exceed U.S.\$2,500,000,000 (or its equivalent in other currencies calculated as provided in the Programme Agreement described herein), subject to increase as described herein.

Certificates may be issued on a continuing basis to one or more of the Dealers specified under "*Overview of the Programme*" and any additional dealer(s) appointed under the Programme from time to time by the Trustee (each a "**Dealer**" and together the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the "**relevant Dealer**" shall, in the case of an issue of Certificates being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe to such Certificates.

The Certificates will be limited recourse obligations of the Trustee. An investment in Certificates issued under the Programme involves certain risks. For a discussion of these risks, see "Risk Factors".

Each Series (as defined herein) of Certificates issued under the Programme will be constituted by: (i) a master declaration of trust dated 18 July 2024 (the "**Master Declaration of Trust**") entered into between the Trustee, Mashreqbank psc (the "**Bank**") and BNY Mellon Corporate Trustee Services Limited as delegate of the Trustee (in such capacity, the "**Delegate**"); and (ii) a supplemental declaration of trust (the "**Supplemental Declaration of Trust**" and, together with the Master Declaration of Trust, the "**Declaration of Trust**") in relation to the relevant Tranche (as defined herein). Certificates of each Series confer on the holders of the Certificates from time to time (the "**Certificateholders**") the right to receive certain payments (as more particularly described herein) arising from the assets of a trust declared by the Trustee in relation to the relevant Series (the "**Trust**") over the relevant Trust Assets (as defined herein).

This Base Prospectus has been approved as a base prospectus by the Central Bank of Ireland, which is the Irish competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). The Central Bank of Ireland only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Trustee or the Bank nor as an endorsement of the quality of the Certificates that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in such Certificates. Such approval relates only to the Certificates which are to be admitted to trading on a regulated market for the purposes of Directive 2014/65/EU, as amended ("**MiFID II**") and/or which are to be offered to the public in any member state of the European Economic Area (the "**EEA**").

Application has been made to the Irish Stock Exchange plc, trading as Euronext Dublin ("**Euronext Dublin**") for Certificates issued under the Programme within twelve months after the date hereof to be admitted to the official list (the "**Official List**") and to trading on the regulated market of Euronext Dublin. The regulated market of Euronext Dublin is a regulated market for the purposes of MiFID II. This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date in relation to Certificates which are to be admitted to trading on a regulated market in the EEA. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid. For the avoidance of doubt, the Trustee shall have no obligation to supplement this Base Prospectus in the event of significant new factors, material mistakes or material inaccuracies after the end of its 12-month validity period.

The Certificates will be delisted from the Official List and/or on other or further stock exchanges or markets following the occurrence of a Tangibility Event (as defined herein), see Condition 10(e) (*Capital Distributions of the Trust – Tangibility Event Put Option*).

The Programme also permits Certificates to be issued on the basis that they will not be admitted to listing, trading on (i) a regulated market for the purposes of MiFID II in the EEA or (ii) a UK regulated market for the purposes of Regulation (EU) No 600/2014 on markets in financial instruments as it forms part of domestic law by virtue of the EUWA ("**UK MiFIR**") ("**Exempt Certificates**") and/or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems (which, for the avoidance of doubt, shall exclude a regulated market for the purposes of MiFID II and a UK regulated market for the purposes of UK MiFIR) as may be agreed with the Trustee and the Bank. No base prospectus is required to be published under the Prospectus Regulation or the Financial Services and Markets Act 2000, as amended ("**FSMA**"), respectively, for the issue of Exempt Certificates and, accordingly, the Exempt Certificates issued are not required for, and do not, comply with the Prospectus Regulation or the FSMA. The Central Bank of Ireland has neither reviewed nor approved the information contained in this Base Prospectus in relation to the Exempt Certificates.

The Bank has been assigned ratings of A by Fitch Ratings Limited ("**Fitch**"), A3 by Moody's Investors Service Cyprus Ltd. ("**Moody's**") and A by S&P Global Ratings Europe Limited ("**S&P**"), and the Programme has been rated A by S&P. Each of Moody's and S&P is established in the EEA, is registered under Regulation (EC) No 1060/2009 on credit rating agencies (the "**EU CRA Regulation**") and appears on the latest update of the list of registered credit rating agencies available on the website of the European Securities and Markets Authority ("**ESMA**") (at <https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the EU CRA Regulation. Moody's and S&P are not established in the United Kingdom ("**UK**") or registered under Regulation (EC) No 1060/2009 on credit rating agencies as it forms part of domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**") (the "**UK CRA Regulation**"). The ratings that Moody's and S&P have assigned to the Bank and the Certificates to be issued under the Programme are endorsed by Moody's Investors Service Ltd. and S&P Global Ratings UK Limited, respectively, each of which is established in the UK and registered under the UK CRA Regulation. Fitch is established in the UK, is registered under the UK CRA Regulation and appears on the latest update of the list of registered credit rating agencies on the UK Financial

Conduct Authority's Financial Services Register (available at <https://data.fca.org.uk/#/cra/crasearch>) in accordance with the UK CRA Regulation. Fitch is not established in the EEA or registered under the EU CRA Regulation. The rating that Fitch has assigned to the Bank is endorsed by Fitch Ratings Ireland Limited which is established in the EEA and registered under the EU CRA Regulation. Certificates issued under the Programme may be rated or unrated by any of the rating agencies referred to above.

Where a Series of Certificates is rated, such rating will be specified in the applicable Final Terms (or, in the case of Exempt Certificates, the applicable Pricing Supplement (as defined herein)).

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

The transaction structure relating to the Certificates (as described in this Base Prospectus) has been approved by Mashreqbank psc's (acting through its Islamic Banking Division) Internal Shari'ah Supervision Committee (the "Internal Shariah Supervision Committee of the Bank") and the Global Shariah Supervisory Committee of Standard Chartered Bank, as, in their view, complying with the *Shari'a* principles as applicable to, and interpreted by, them. Prospective investors should not rely on the approvals referred to above in deciding whether to make an investment in the Certificates and should consult their own *Shari'a* advisers as to whether the proposed transaction described in the approvals referred to above, including the tradability of the Certificates on any secondary market, is in compliance with *Shari'a* principles (including, without limitation, their individual standards of compliance relating hereto) (see "*Risk Factors– Additional risks – Investors must make their own determination as to Shari'a compliance*"). None of the Trustee, the Bank, the Arrangers, the Dealers, the Delegate and any of the Agents or any of their respective affiliates makes any representation as to the *Shari'a* compliance of the Certificates and/or any trading thereof (including, without limitation, any future trading of the Certificates on the secondary market) and none of the Trustee, the Bank, the Arrangers, the Dealers, the Delegate or the Agents or any of their respective affiliates shall be liable to any Certificateholder or any other person in respect thereof. Prospective investors are reminded that, as with any *Shari'a* views, differences in opinion are possible and different *Shari'a* standards may be applied by different *Shari'a* advisers.

The Certificates have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or any U.S. state securities laws and the Certificates may not be offered or sold in the United States or to, or for the account or the benefit of, U.S. persons (as defined in the Securities Act) unless an exemption from the registration requirements of the Securities Act is available and the offer or sale is made in accordance with all applicable securities laws of any state of the United States and any other jurisdiction. The Certificates are being offered and sold outside the United States to persons that are not U.S. persons in reliance on Regulation S under the Securities Act ("**Regulation S**") under the Securities Act. See "*Form of the Certificates*" for a description of the manner in which Certificates will be issued. The Certificates are subject to certain restrictions on transfer, see "*Subscription and Sale*".

Arrangers and Dealers

**Mashreqbank psc (acting through its
Islamic Banking Division)**

Standard Chartered Bank

The date of this Base Prospectus is 18 July 2024

IMPORTANT NOTICES

This Base Prospectus comprises a base prospectus for the purposes of Article 8 of the Prospectus Regulation and for the purpose of giving information with regard to the Trustee, the Bank and the Certificates which, according to the particular nature of the Trustee, the Bank and the Certificates, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Trustee and the Bank.

The Trustee and the Bank accept responsibility for the information contained in this Base Prospectus, the applicable Final Terms (as defined below) or (in the case of Exempt Certificates) the applicable Pricing Supplement (as defined below) for each Tranche of Certificates issued under the Programme. To the best of the knowledge of each of the Trustee and the Bank the information contained in this Base Prospectus is in accordance with the facts and this Base Prospectus does not omit anything likely to affect the import of such information.

Other than in relation to the documents which are deemed to be incorporated by reference (see "*Documents Incorporated by Reference*"), the information on the websites to which this Base Prospectus refers does not form part of this Base Prospectus and has not been scrutinised or approved by the Central Bank of Ireland.

Where information has been sourced from a third party, each of the Trustee and the Bank confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of any third party information contained in this Base Prospectus is stated where such information appears in this Base Prospectus. The information under the heading "*The United Arab Emirates Banking System and Prudential Regulation*", which is given as general information and has been reproduced from publicly available information, save that each of the Trustee and the Bank confirms that, as far as it is aware and is able to ascertain from publicly available information, no facts have been omitted which would render any reproduced information inaccurate or misleading. The Trustee and the Bank accept responsibility only for the accurate extraction of such information from publicly available sources.

Each Tranche of Certificates will be issued on the terms set out herein under "*Terms and Conditions of the Certificates*" (the "**Conditions**") as supplemented by a document specific to such Tranche called the applicable final terms (the "**Final Terms**") or (in the case of Exempt Certificates) the applicable pricing supplement (the "**Pricing Supplement**") or in a separate prospectus specific to such Tranche (the "**Drawdown Prospectus**") as described under "*Final Terms, Pricing Supplements and Drawdown Prospectuses*" in this Base Prospectus. In the case of a Tranche of Certificates which is the subject of a Pricing Supplement or a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the applicable Final Terms shall be read and construed as a reference to such information being specified or identified in the applicable Pricing Supplement or Drawdown Prospectus unless the context requires otherwise.

This Base Prospectus must be read and construed together with any amendments or supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Certificates, should be read and construed together with the applicable Final Terms.

No person has been authorised by the Trustee or the Bank to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme any information supplied by the Trustee or the Bank or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Trustee, the Bank, the Arrangers, the Dealers, the Delegate or any of the Agents.

The accuracy or completeness of the information contained in this Base Prospectus has not been independently verified by the Arrangers, the Dealers, the Delegate, the Agents or any of their respective directors, officers, affiliates, advisers or agents. Accordingly, none of the Arrangers, the Dealers, the Delegate, the Agents or any of their respective directors, affiliates, advisers or agents make any representation or warranty or accept any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Trustee or the Bank in connection with the Programme, nor is any responsibility or liability accepted by them as to the accuracy or completeness of the information contained in this Base Prospectus or any responsibility for any acts or

omissions of the Trustee, the Bank or any other person (other than the relevant Dealer) in connection with this Base Prospectus or the issue and offering of Certificates under the Programme. To the fullest extent permitted by law, none of the Arrangers, the Dealers, the Delegate and the Agents, their respective directors, affiliates, advisers and agents accepts any responsibility for the contents of this Base Prospectus and accordingly each disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Base Prospectus. Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Certificate shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Trustee or the Bank since the date hereof or, if later, the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. The Arrangers, the Dealers, the Delegate and the Agents expressly do not undertake to review the financial condition or affairs of the Trustee or the Bank during the life of the Programme or to advise any investor in the Certificates of any information coming to their attention.

EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN TAX ADVISER, LEGAL ADVISER, BUSINESS ADVISER AND SHARI'A ADVISER AS TO TAX, LEGAL, BUSINESS, SHARI'A AND RELATED MATTERS CONCERNING THE PURCHASE OF ANY CERTIFICATES.

No comment is made or advice given by, the Trustee, the Bank, the Arrangers, the Dealers, the Delegate or the Agents in respect of taxation or *Shari'a* matters relating to any Certificates or the legality of the purchase of Certificates by an investor under applicable or similar laws.

NEITHER THE PROGRAMME NOR THE CERTIFICATES HAVE BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAS ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF ANY OFFERING OF CERTIFICATES OR THE ACCURACY OR ADEQUACY OF THIS BASE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Certificates in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Trustee, the Bank, the Arrangers and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Certificates and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Certificates, see "*Subscription and Sale*". No action has been taken by the Trustee, the Bank, the Delegate, the Agents, the Arrangers or the Dealers which is intended to permit a public offering of any Certificates or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Certificates may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. In particular, the Certificates have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. Certificates may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with all applicable securities laws of any state or other jurisdiction of the United States. The Trustee, the Bank, the Arrangers, the Dealers, the Delegate and the Agents do not represent that this Base Prospectus may be lawfully distributed, or that any Certificates may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering.

Neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Certificates and should not be considered as a recommendation by the Trustee, the Bank, the Arrangers, the Dealers, the Delegate, the Agents or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Certificates. Each recipient of this Base Prospectus

or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Trustee and the Bank.

The maximum aggregate face amount of Certificates outstanding at any one time under the Programme will not exceed U.S.\$2,500,000,000 (and for this purpose, any Certificates denominated in another currency shall be translated into U.S. dollars at the date of the agreement to issue such Certificates (calculated in accordance with the provisions of the Programme Agreement)). The maximum aggregate face amount of Certificates which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Programme Agreement.

The Certificates may not be a suitable investment for all investors. Each potential investor in the Certificates must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Certificates, the merits and risks of investing in the Certificates and the information contained or incorporated by reference in this Base Prospectus;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Certificates and the impact the Certificates will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Certificates, including where the currency of payment is different from the potential investor's currency;
- (d) understand thoroughly the terms of the Certificates and be familiar with the behaviour of any relevant indices and financial markets;
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic and other factors that may affect its investment and its ability to bear the applicable risks; and
- (f) be able to evaluate the compliance of the Certificates with *Shari'a* principles (including, without limitation, their individual standards of compliance relating thereto).

Some Certificates are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured and appropriate addition of risk to their overall investment portfolios. A potential investor should not invest in Certificates which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Certificates will perform under changing conditions, the resulting effects on the value of the Certificates and the impact this investment will have on the potential investor's overall investment portfolio.

The investment activities of certain investors are subject to investment laws and regulations, or the review of such laws and regulations by certain governmental or regulatory authorities. Each potential investor should consult its legal and tax advisers to determine whether and to what extent: (i) the Certificates constitute legal investments for it; (ii) the Certificates can be used as collateral for various types of borrowing; and (iii) other restrictions apply to any purchase or pledge of any Certificates by the investor. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Certificates under any applicable risk-based capital or similar rules and regulations. In addition, potential investors should consult their own tax advisers on how the rules relating to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended ("**FATCA**") may apply to payments they receive under the Certificates.

This Base Prospectus contains certain forward-looking statements. The words "anticipate", "believe", "expect", "intend", "targets", "aims", "estimate", "project", "will", "would", "may", "could", "continue" and similar expressions are intended to identify forward-looking statements. All statements other than statements of historical fact included in this Base Prospectus, including, without limitation, those regarding the financial position, business strategy, management plans and objectives for future operations of the Bank are forward-looking statements. These forward-looking statements involve known and unknown risks,

uncertainties and other factors, which may cause the Bank's actual results, performance or achievements, or industry results, to be materially different from those expressed or implied by these forward-looking statements. The requirement to publish a base prospectus under the Prospectus Regulation only applies to Certificates which are to be admitted to trading on a regulated market in the EEA and/or offered to the public in the EEA other than in circumstances where an exemption is available under Article 1(4) and/or 3(2) of the Prospectus Regulation. The requirement to publish a prospectus under the FSMA only applies to Certificates which are admitted to trading on a UK regulated market as defined in UK MiFIR and/or offered to the public in the UK other than in circumstances where an exemption is available under section 86 of the FSMA. References in this Base Prospectus to "**Exempt Certificates**" are to Certificates issued by the Trustee for which no base prospectus is required to be published under the Prospectus Regulation and the FSMA. Exempt Certificates do not form part of this Base Prospectus for the purposes of the Prospectus Regulation and the FSMA and the Central Bank of Ireland has neither approved nor reviewed information contained in this Base Prospectus in connection with Exempt Certificates.

Certain Defined Terms

Capitalised terms which are used but not defined in any section of this Base Prospectus will have the meaning attributed thereto in the Conditions or any other section of this Base Prospectus. In addition, the following terms as used in this Base Prospectus have the meanings defined below:

- references to the "**Bank**" are to Mashreqbank psc;
- references to "**Dubai**" are to the Emirate of Dubai;
- references to "**GCC**" are to the Gulf Co-operation Council;
- references to the "**Group**" are to the Bank, together with its subsidiaries;
- references to a "**Member State**" are to a Member State of the EEA; and
- references to the "**UAE**" are to the United Arab Emirates.

Certain Conventions

Certain figures and percentages included in this Base Prospectus have been subject to rounding adjustments. Accordingly, figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

All references in this Base Prospectus to "**U.S. dollars**", "**U.S.\$**" and "**\$**" refer to United States dollars being the legal currency for the time being of the United States of America and all references in this Base Prospectus to "**UAE dirham**" and "**AED**" refer to UAE dirham being the legal currency for the time being of the UAE. References to "**euro**" and "**€**" are references to the currency introduced at the start of the third stage of the Treaty on the functioning of the European Community, as amended from time to time.

The UAE dirham has been pegged to the U.S. dollar since 22 November 1980. The midpoint between the official buying and selling rates for the UAE dirham is at a fixed rate of AED 3.6725 = U.S.\$1.00.

References to a "**billion**" are to a thousand million.

In this Base Prospectus, unless the contrary intention appears, a reference to a law or a provision of law is a reference to that law or provision as extended, amended or re-enacted.

MIFID II PRODUCT GOVERNANCE / TARGET MARKET

The Final Terms in respect of any Certificates may include a legend entitled "*MiFID II Product Governance*" which will outline the target market assessment in respect of the Certificates and which channels for distribution of the Certificates are appropriate. Any person subsequently offering, selling or recommending the Certificates (a "distributor") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Certificates (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593 (the "MiFID Product Governance Rules"), any Dealer subscribing for any Certificates is a manufacturer in respect of such Certificates, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MIFIR PRODUCT GOVERNANCE / TARGET MARKET

The Final Terms in respect of any Certificates may include a legend entitled "*UK MiFIR Product Governance*" which will outline the target market assessment in respect of the Certificates and which channels for distribution of the Certificates are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Certificates (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Certificates is a manufacturer in respect of such Certificates, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE

In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (as modified or amended from time to time, the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), unless otherwise stated in the applicable Final Terms, the Trustee has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA) that all Certificates issued under the Programme shall be "prescribed capital markets products" (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

VOLCKER RULE

The Volcker Rule, which became effective on 1 April 2014, but was subject to a conformance period for certain entities that concluded on 21 July 2015, generally prohibits "banking entities" (which is broadly defined to include U.S. banks and bank holding companies and many non-U.S. banking entities, together with their respective subsidiaries and other affiliates) from: (i) engaging in proprietary trading; (ii) acquiring or retaining an ownership interest in or sponsoring a "covered fund"; and (iii) entering into certain relationships with "covered funds". The general effects of the Volcker Rule remain uncertain; any prospective investor in the Certificates and any entity that is a "banking entity" as defined under the Volcker Rule which is considering an investment in the Certificates should consult its own legal advisors and consider the potential impact of the Volcker Rule in respect of such investment. If investment by "banking entities" in the Certificates is prohibited or restricted by the Volcker Rule, this could impair the marketability and liquidity of such Certificates. No assurance can be made as to the effect of the Volcker Rule on the ability of certain investors subject thereto to acquire or retain an interest in the Certificates, and accordingly none of the Trustee, the Bank, the Arrangers, the Dealers, the Delegate or the Agents, or any of their respective affiliates makes any representation regarding: (a) the status of the Trustee under the Volcker Rule (including whether it is a "covered fund" for their purposes); or (b) the ability of any purchaser to acquire or hold the Certificates, now or at any time in the future.

NOTICE TO RESIDENTS OF THE UNITED KINGDOM

Any Certificates to be issued under the Programme which do not constitute "alternative finance investment bonds" ("AFIBs") within the meaning of Article 77A of the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2010 (SI 2001/544), as amended will represent interests in a collective investment scheme (as defined in the FSMA) which has not been

authorised, recognised or otherwise approved by the FCA. Accordingly, any Certificates to be issued under the Programme must not be marketed in the UK to the general public and this Base Prospectus is not being distributed to, and must not be passed on to, the general public in the UK.

The distribution in the UK of this Base Prospectus, any Final Terms and any other marketing materials relating to the Certificates is being addressed to, or directed at: (A) if the distribution of the Certificates (whether or not such Certificates are AFIBs) is being effected by a person who is not an authorised person under the FSMA, only the following persons: (i) persons who are Investment Professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Financial Promotion Order"); (ii) persons falling within any of the categories of persons described in Article 49 (*high net worth companies, unincorporated associations, etc.*) of the Financial Promotion Order; and (iii) any other person to whom it may otherwise lawfully be made in accordance with the Financial Promotion Order; and (B) if the Certificates are not AFIBs and the distribution is effected by a person who is an authorised person under the FSMA, only the following persons: (i) persons falling within one of the categories of Investment Professional as defined in Article 14(5) of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 (the "Promotion of CISs Order"); (ii) persons falling within any of the categories of person described in Article 22 (*high net worth companies, unincorporated associations, etc.*) of the Promotion of CISs Order; and (iii) any other person to whom it may otherwise lawfully be promoted. Persons of any other description in the UK may not receive and should not act or rely on this Base Prospectus, any Final Terms or Pricing Supplement, as the case may be, or any other marketing materials in relation to any Certificates.

Prospective investors in the UK in any Certificates are advised that all, or most, of the protections afforded by the UK regulatory system will not apply to an investment in such Certificates and that compensation will not be available under the UK Financial Services Compensation Scheme.

Any prospective investor intending to invest in any investment described in this Base Prospectus should consult its professional adviser and ensure that it fully understands all the risks associated with making such an investment and that it has sufficient financial resources to sustain any loss that may arise from such investment.

NOTICE TO RESIDENTS OF THE CAYMAN ISLANDS

No invitation, whether directly or indirectly, may be made to any member of the public in the Cayman Islands to subscribe for any Certificates and this Base Prospectus shall not be construed as an invitation to any member of the public of the Cayman Islands to subscribe for any Certificates.

NOTICE TO RESIDENTS OF THE KINGDOM OF BAHRAIN

In relation to investors in the Kingdom of Bahrain, Certificates issued in connection with this Base Prospectus and related offering documents may only be offered in registered form to existing accountholders and accredited investors (each, as defined by the Central Bank of Bahrain (the "CBB")) in the Kingdom of Bahrain where such investors make a minimum investment of at least U.S.\$100,000 or any equivalent amount in any other currency or such other amount as the CBB may determine.

This Base Prospectus does not constitute an offer of securities in the Kingdom of Bahrain pursuant to the terms of Article (81) of the Central Bank and Financial Institutions Law 2006 (decree Law No. 64 of 2006). This Base Prospectus and any related offering documents have not been and will not be registered as a prospectus with the CBB. Accordingly, no Certificates may be offered, sold or made the subject of an invitation for subscription or purchase nor will this Base Prospectus or any other related document or material be used in connection with any offer, sale or invitation to subscribe or purchase Certificates, whether directly or indirectly, to persons in the Kingdom of Bahrain, other than to accredited investors (as such term is defined by the CBB) for an offer outside the Kingdom of Bahrain.

The CBB has not reviewed, approved or registered this Base Prospectus or any related offering documents and it has not in any way considered the merits of the Certificates to be offered for investment, whether in or outside the Kingdom of Bahrain. Therefore, the CBB assumes no responsibility for the accuracy and completeness of the statements and information contained in this

Base Prospectus and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the content of this Base Prospectus. No offer of Certificates will be made to the public in the Kingdom of Bahrain and this Base Prospectus must be read by the addressee only and must not be issued, passed to, or made available to the public generally.

NOTICE TO RESIDENTS OF MALAYSIA

Any Certificates to be issued under the Programme may not be offered for subscription or purchase and no invitation to subscribe for or purchase such Certificates in Malaysia may be made, directly or indirectly, and this Base Prospectus or any document or other materials in connection therewith may not be distributed in Malaysia other than to persons falling within the categories set out in Part I of Schedule 6 or Section 229(1)(b), Part I of Schedule 7 or Section 230(1)(b) and Schedule 8 or Section 257(3), read together with Schedule 9 or Section 257(3) of the Capital Market and Services Act 2007 of Malaysia as may be amended and/or varied from time to time and subject to any amendments to the applicable laws from time to time. The Securities Commission of Malaysia shall not be liable for any non-disclosure on the part of the Trustee or the Bank and assumes no responsibility for the correctness of any statements made or opinions or reports expressed in this Base Prospectus.

NOTICE TO RESIDENTS OF THE KINGDOM OF SAUDI ARABIA

This document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority of the Kingdom of Saudi Arabia (the "Capital Market Authority").

The Capital Market Authority does not make any representation as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this document you should consult an authorised financial adviser.

STABILISATION

In connection with the issue of any Tranche of Certificates, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of the Stabilisation Manager(s)) in the applicable Final Terms may effect transactions with a view to supporting the market price of the Certificates at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the Issue Date (as defined herein) of the relevant Tranche of Certificates, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the Issue Date of the relevant Tranche of Certificates and 60 days after the date of the allotment of the relevant Tranche of Certificates. Any stabilisation action must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of the Stabilisation Manager(s)) in accordance with all applicable laws and rules.

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OVERVIEW OF THE PROGRAMME

This overview constitutes a general description of the Programme for the purposes of Article 25(1) of the Commission Delegated Regulation (EU) No. 2019/980 and must be read as an introduction to this Base Prospectus. The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Certificates, is supplemented by the applicable Final Terms or, in the case of Exempt Certificates, the applicable Pricing Supplement. Words and expressions defined in "Form of the Certificates" and "Terms and Conditions of the Certificates" shall have the same meanings in this overview.

Trustee: Mashreq Al Islami Sukuk Company Ltd., as trustee for and on behalf of the Certificateholders and as issuer of the Certificates, an exempted company with limited liability incorporated on 21 February 2024 in accordance with the laws of, and formed and registered in, the Cayman Islands with registered number 407388 with its registered office at the offices of Walkers Fiduciary Limited, 190 Elgin Avenue, George Town, Grand Cayman, KY1-9008, Cayman Islands.

The Trustee has been incorporated solely for the purpose of participating in the transactions contemplated by the Transaction Documents (as defined below) to which it is a party. Mashreq Al Islami Sukuk Company Ltd. shall on each Issue Date issue the Certificates to the Certificateholders and act as Trustee in respect of the Trust Assets for the benefit of the Certificateholders. See "*Description of the Trustee*".

Trustee's Legal Entity Identifier:..... 254900AIOT8L0TZT5O08.

Bank: Mashreqbank psc.

Ownership of the Trustee: The authorised share capital of the Trustee is U.S.\$50,000 consisting of 50,000 shares of U.S.\$1.00 each, of which 250 shares are fully paid up and issued. The Trustee's entire issued share capital is held by Walkers Fiduciary Limited, with registered office 190 Elgin Avenue, George Town, Grand Cayman, KY1-9008, Cayman Islands on trust for charitable purposes.

Administration of the Trustee: The affairs of the Trustee are managed by Walkers Fiduciary Limited (the "**Trustee Administrator**"), who provide, *inter alia*, corporate administrative services and director services and act as share trustee for and on behalf of the Trustee pursuant to the corporate services agreement (as amended and restated from time to time) made between, amongst others, the Trustee and the Trustee Administrator (the "**Corporate Services Agreement**").

Arrangers: Mashreqbank psc and Standard Chartered Bank.

Dealers: Mashreqbank psc and Standard Chartered Bank and any other Dealer appointed from time to time either generally in respect of the Programme or in relation to a particular Tranche of Certificates.

Delegate: BNY Mellon Corporate Trustee Services Limited.

Principal Paying Agent, Calculation Agent and Transfer Agent: The Bank of New York Mellon, London Branch.

Registrar: The Bank of New York Mellon SA/NV, Dublin Branch.

Initial Programme Amount:	Up to U.S.\$2,500,000,000 (or its equivalent in other currencies) aggregate face amount of Certificates outstanding at any one time. The amount of the Programme may be increased in accordance with the terms of the Programme Agreement.
Issuance in Series:	The Certificates will be issued in Series. Each Series may comprise one or more Tranches issued on different Issue Dates. The Certificates of each Series will have the same terms and conditions (which will be completed in the applicable Final Terms) or terms and conditions which are the same in all respects save for the amount and date of the first payment of Periodic Distribution Amounts thereon and the date from which Periodic Distribution Amounts start to accrue.
Distribution:	Certificates may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Subject to any applicable legal and/or regulatory and/or central bank requirements, any currency agreed between the Trustee, the Bank and the relevant Dealer.
Maturities:	The Certificates will have such maturities as may be agreed between the Trustee, the Bank and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Trustee or the relevant Specified Currency (as defined in the applicable Final Terms).
Issue Price:	Certificates may be issued at any price on a fully paid basis, as specified in the applicable Final Terms. The price and amount of Certificates to be issued under the Programme will be determined by the Trustee, the Bank and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.
Status of the Certificates:	Each Certificate will represent an undivided <i>pro rata</i> ownership interest in the Trust Assets of the relevant Series, will be a limited recourse obligation of the Trustee and will rank <i>pari passu</i> , without preference or priority, with all other Certificates of the relevant Series issued under the Programme.

In respect of each Series, the Trustee shall hold the relevant Trust Assets for such Series upon trust absolutely for and on behalf of the Certificateholders of such Series *pro rata* according to the face amount of Certificates held by each holder of the relevant Series of Certificates. The "**Trust Assets**" of the relevant Series will comprise: (i) all of the cash proceeds of the issue of the Certificates, pending the application thereof in accordance with the terms of the Transaction Documents; (ii) all of the Trustee's rights, title, interests, benefits and entitlements, present and future, in, to and under the Sukuk Portfolio; (iii) all of the Trustee's rights, title, interests, benefits and entitlements, present and future, in, to and under the Transaction Documents (excluding any representations given by the Bank to the Trustee and/or the Delegate pursuant to any of the Transaction Documents or the

covenant given to the Trustee pursuant to clause 17.1 of the Master Declaration of Trust); (iv) all moneys standing to the credit of the Transaction Account from time to time; and (v) all proceeds of the foregoing.

Periodic Distribution Amounts: Certificateholders are entitled to receive Periodic Distribution Amounts, out of amounts transferred to the Transaction Account pursuant to the terms of the relevant Transaction Documents, calculated on the basis specified in the applicable Final Terms.

Cross-Default:..... The Certificates will have the benefit of a cross-default provision, as described in Condition 14 (*Dissolution Events*).

Negative Pledge: The Certificates will have the benefit of a negative pledge granted by the Bank, as described in Condition 5 (*Negative Pledge*).

**Dissolution on the Scheduled
Dissolution Date:**..... Unless the Certificates are previously redeemed or purchased and cancelled in full, each Certificate shall be finally redeemed at its Dissolution Distribution Amount and the Trust in relation to the relevant Series shall be dissolved by the Trustee on the Scheduled Dissolution Date specified in the applicable Final Terms.

Dissolution Amount: Means, in relation to each Certificate, as the case may be:

- (a) the Dissolution Distribution Amount, being:
 - (i) the sum of: (A) the outstanding face amount of such Certificate; and (B) any accrued but unpaid Periodic Distribution Amounts relating to such Certificate; or
 - (ii) such other amount specified in the applicable Final Terms as being payable upon any relevant Dissolution Date (if any); or
- (b) the Early Dissolution Amount (Tax); or
- (c) the Optional Dissolution Amount; or
- (d) the Certificateholder Put Option Dissolution Amount; or
- (e) the Tangibility Event Dissolution Amount.

Dissolution Events: The Dissolution Events are described in Condition 14 (*Dissolution Events*). Following the occurrence of a Dissolution Event which is continuing, the Certificates of the relevant Series may be redeemed in full at an amount equal to the relevant Dissolution Distribution Amount and the Trust in relation to the relevant Series shall be dissolved by the Trustee on any Dissolution Event Redemption Date. See Condition 14 (*Dissolution Events*).

Early Dissolution for Tax Reasons: ... Where the Trustee has or will become obliged to pay any additional amounts in respect of the Certificates pursuant to Condition 11 (*Taxation*) or the Trustee has received notice from the Bank that the Bank has or will become obliged to pay any additional amounts in respect of amounts payable

under the Transaction Documents, in each case, as a result of a change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of a Relevant Jurisdiction, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment becomes effective on or after the Issue Date of the relevant Series and such obligation cannot be avoided by the Trustee or the Bank, as applicable, taking reasonable measures available to it, the Trustee will, on giving notice not less than the Minimum Notice Period nor more than the Maximum Notice Period (each as specified in the applicable Final Terms) to Certificateholders (which notice shall be irrevocable), redeem the Certificates in whole but not in part at the relevant Early Dissolution Amount (Tax) on any Early Tax Dissolution Date subject to and in accordance with Condition 10(b) (*Capital Distributions of the Trust – Early Dissolution for Tax Reasons*).

Optional Dissolution Right: If so specified in the applicable Final Terms, the Bank may, in accordance with Condition 10(c) (*Capital Distributions of the Trust – Dissolution at the Option of the Bank*), require the Trustee, on giving notice not less than the Minimum Notice Period nor more than the Maximum Notice Period (each as specified in the applicable Final Terms) to the Certificateholders (which notice shall be irrevocable) to redeem all or, if so specified in such notice, some of the Certificates only on any Optional Dissolution Date subject to and in accordance with Condition 10(c) (*Capital Distributions of the Trust – Dissolution at the Option of the Bank*). Any such redemption of Certificates shall be at the relevant Optional Dissolution Amount.

Certificateholder Put Option: If so specified in the applicable Final Terms, the Trustee shall, at the option of the holder of any Certificates, upon the holder of such Certificates giving not less than the Minimum Notice Period nor more than the Maximum Notice Period (each as specified in the applicable Final Terms) to the Trustee, redeem such Certificates on any Certificateholder Put Option Date at the relevant Certificateholder Put Option Dissolution Amount subject to and in accordance with Condition 10(d) (*Capital Distributions of the Trust – Certificateholder Put Option*).

Tangibility Event Put Option Following the occurrence of a Tangibility Event, the Trustee shall, at the option of the holder of any Certificates, upon the holder of such Certificates giving notice to the Trustee within the Tangibility Event Put Period, redeem such Certificates on the Tangibility Event Put Option Date at the relevant Tangibility Event Dissolution Amount subject to and in accordance with Condition 10(e) (*Capital Distributions of the Trust – Tangibility Event Put Option*).

Following the occurrence of a Tangibility Event, as determined in consultation with the Internal Shariah Supervision Committee of the Bank, the Certificates should be tradable only in accordance with the *Shari'a* principles of debt trading (such as the principle that debt is to be traded against tangible assets and/or eligible commodities on a spot settlement basis).

On the date falling 15 days following the Tangibility Event Put Option Date, the Certificates will be delisted from any stock exchange (if any) on which the Certificates have been admitted to listing.

Clean Up Call Right: If 75 per cent. or more of the aggregate face amount of Certificates then outstanding have been redeemed and/or purchased and cancelled pursuant to Condition 10 (*Capital Distributions of the Trust*) and/or Condition 13 (*Purchase and Cancellation of Certificates*), as the case may be, the Bank may, in accordance with Condition 10(f) (*Capital Distributions of the Trust – Clean Up Call Right*) require the Trustee, on giving notice not less than the Minimum Notice Period nor more than the Maximum Notice Period (each as specified in the applicable Final Terms) to the Certificateholders (which notice shall be irrevocable) to redeem the Certificates in whole but not in part at the Dissolution Distribution Amount on the relevant Clean Up Call Dissolution Date, subject to and in accordance with Condition 10(f) (*Capital Distributions of the Trust – Clean Up Call Right*).

Cancellation of Certificates held by the Bank and/or any of its Subsidiaries: Pursuant to Condition 13 (*Purchase and Cancellation of Certificates*), the Bank and/or any of its subsidiaries may at any time purchase Certificates in the open market or otherwise. If the Bank wishes to cancel such Certificates purchased by it and/or any of its subsidiaries (the "**Cancellation Certificates**"), the Bank may surrender such Certificates for cancellation in accordance with the Conditions and the Master Declaration of Trust, and following the service of a cancellation notice by the Bank to the Trustee pursuant to the Master Declaration of Trust, require the Trustee, any time prior to the Scheduled Dissolution Date, to cancel any Certificates surrendered to it by the Bank for cancellation.

Limited Recourse: Each Certificate of a particular Series will represent an undivided *pro rata* ownership interest in the Trust Assets for such Series. No payment of any amount whatsoever shall be made in respect of the Certificates except to the extent that funds for that purpose are available from the relevant Trust Assets.

Certificateholders will otherwise have no recourse to any assets of the Trustee (other than the relevant Trust Assets), the Bank (to the extent that it fulfils its obligations under the Transaction Documents to which it is a party) or the Delegate or any Agent or any of their respective affiliates in respect of any shortfall in the expected amounts due from the relevant Trust Assets to the extent the relevant Trust Assets have been exhausted, following which all obligations of the Trustee and the Bank shall be extinguished. See Condition 4(b) (*Status and Limited Recourse – Limited Recourse*).

Denomination of Certificates: The Certificates will be issued in such denominations as may be agreed between the Trustee, the Bank and the relevant Dealer(s) and as specified in the applicable Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. The minimum denomination of each Certificate (other than an Exempt Certificate) will be €100,000 (or, if the Certificates are

denominated in a currency other than euro, the equivalent amount in such currency as at the Issue Date of such Certificates).

Form and Delivery of the

Certificates:

The Certificates will be issued in registered form only. The Certificates will be represented on issue by beneficial interests in a global certificate (the "**Global Certificate**"), which will be deposited with, and registered in the name of a nominee for, a common depository (the "**Common Depository**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**"). Ownership interests in the Global Certificate will be shown on, and transfers thereof will only be effected through, records maintained by Euroclear and Clearstream, Luxembourg (as applicable), and their respective participants. See the section entitled "*Form of the Certificates*". Certificates in definitive form evidencing holdings of Certificates ("**Definitive Certificates**") will be issued in exchange for interests in the relevant Global Certificate only in certain limited circumstances.

Clearance and Settlement:.....

Certificateholders must hold their interest in the relevant Global Certificate in book-entry form through Euroclear and/or Clearstream, Luxembourg (or any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Trustee and the Bank). Transfers within and between each of Euroclear or Clearstream, Luxembourg will be in accordance with the usual rules and operating procedures of the relevant clearing system.

Withholding Tax:

Subject to Condition 9(b) (*Payment – Payments subject to Applicable Laws*), all payments by the Trustee in respect of the Certificates shall be made free and clear of, and without withholding or deduction for, or on account of, Taxes imposed, levied, collected, withheld or assessed by or on behalf of the Relevant Jurisdiction, unless the withholding or deduction of the Taxes is required by law. In such event, the Trustee will pay additional amounts as shall be necessary in order that the net amounts received by the Certificateholder after such withholding or deduction shall equal the respective amounts due and payable to any Certificateholder which would otherwise have been receivable in the absence of such withholding or deduction, except in the circumstances set out in Condition 11 (*Taxation*).

Further, in accordance with the Master Declaration of Trust, the Bank has unconditionally and irrevocably undertaken to (irrespective of the payment of any fee), as a continuing obligation, in the event that the Trustee fails to comply with any obligation to pay additional amounts pursuant to Condition 11 (*Taxation*), pay to or to the order of the Delegate (for the benefit of the Certificateholders) such net amounts as are necessary so that the amount receivable by the Delegate (after any withholding or deduction for or an account of Taxes) equals any and all additional amounts, required to be paid by it in respect of the Certificates pursuant to Condition 11 (*Taxation*).

The Transaction Documents to which it is a party provide that payments by the Bank thereunder shall be made free and clear

of, and without withholding or deduction for, or on account of, any taxes unless such withholding or deduction is required by law and, in such case, provide for the payment by the Bank of all additional amounts as will result in the receipt by the Trustee of such net amount as would have been receivable by it if no withholding or deduction had been made.

Listing and Trading: Application has been made to Euronext Dublin for Certificates (other than Exempt Certificates) to be admitted to the Official List and to trading on its regulated market.

Certificates may also be issued and listed (or admitted to trading, as the case may be), on other or further stock exchanges or markets (which, for the avoidance of doubt, shall exclude a regulated market for the purposes of MiFID II) as may be agreed between the Trustee, the Bank and the relevant Dealer in relation to the Series. Certificates which are neither listed nor admitted to trading on any market may also be issued.

The applicable Final Terms will state whether or not the relevant Certificates are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

Certificateholder Meetings: A summary of the provisions for convening meetings of Certificateholders to consider matters relating to their interests as such is set out in Condition 18 (*Meetings of Certificateholders, Modification, Waiver, Authorisation and Determination*).

Tax Considerations: See the section entitled "*Taxation*" for a description of certain tax considerations applicable to the Certificates.

Governing Law and Dispute Resolution: The Certificates and any non-contractual obligations arising out of or in connection with the Certificates will be governed by, and construed in accordance with, English law. Each Transaction Document (other than the Master Purchase Agreement, each Supplemental Purchase Agreement and each Sale Agreement) and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law. The Master Purchase Agreement, each Supplemental Purchase Agreement and each Sale Agreement will be governed by the laws of Dubai and, to the extent applicable in Dubai, the federal laws of the UAE.

In respect of any dispute under any Transaction Document to which it is a party (other than the Master Purchase Agreement, each Supplemental Purchase Agreement and each Sale Agreement), the Bank has agreed to arbitration in London under the Arbitration Rules of the London Court of International Arbitration ("**LCIA**") (the "**Rules**"). The Bank has also agreed to submit to the exclusive jurisdiction of the courts of England or the courts of the Dubai International Financial Centre (the "**DIFC**") in respect of any dispute under such Transaction Document, subject to the right of the Trustee and/or the Delegate (as applicable) to require any dispute to be resolved by any other court of competent jurisdiction.

In respect of any dispute under any of the Master Purchase Agreement, each Supplemental Purchase Agreement and each Sale Agreement, the Bank has agreed to submit to the exclusive jurisdiction of the courts of Dubai.

The Corporate Services Agreement will be governed by the laws of the Cayman Islands and subject to the non-exclusive jurisdiction of the courts of the Cayman Islands.

Transaction Documents: The Transaction Documents in relation to each Series shall comprise the Master Purchase Agreement, as supplemented by each relevant Supplemental Purchase Agreement, the Service Agency Agreement, the Purchase Undertaking, the Sale Undertaking, any Sale Agreement, the Master Murabaha Agreement (together with all documents, notices of request to purchase, offer notices, acceptances, notices and confirmations delivered or entered into as contemplated by the Master Murabaha Agreement in connection with the relevant Series), the Master Declaration of Trust, as supplemented by each relevant Supplemental Declaration of Trust, the Agency Agreement and the relevant Certificates (each a "**Transaction Document**" and, together, the "**Transaction Documents**").

Rating: The rating(s) of any Series of Certificates to be issued under the Programme which is to be rated will be specified in the applicable Final Terms.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes in the EEA unless such ratings are issued by a credit rating agency established in the EEA and registered under the CRA Regulation (or are endorsed by an EEA-registered credit rating agency certified in accordance with the CRA Regulation). Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation and, as such, are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation (or endorsed by a UK registered credit rating agency or issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation).

Selling and Transfer Restrictions: There are restrictions on the distribution of this Base Prospectus and the offer, sale or transfer of Certificates in the United States of America, the European Economic Area, the UK, Hong Kong, Japan, Malaysia, Singapore, the United Arab Emirates (excluding the Abu Dhabi Global Market (the "**ADGM**") and the DIFC), the ADGM, the DIFC, the Kingdom of Saudi Arabia, the Kingdom of Bahrain, the Cayman Islands and such other restrictions as may be required in connection with the offering and sale of the Certificates. See "*Subscription and Sale*".

United States Selling Restrictions: Regulation S, Category 2.

RISK FACTORS

Each of the Trustee and the Bank believes that the following factors may affect its ability to fulfil its obligations relating to Certificates issued under the Programme. All of these factors are contingencies which may or may not occur. In addition, factors which are material for the purpose of assessing the market risks associated with Certificates issued under the Programme are also described below.

Each of the Trustee and the Bank believes that the factors described below represent the principal risks inherent in investing in the Certificates issued under the Programme, but the inability of the Trustee to pay Periodic Distribution Amounts, Dissolution Amounts or other amounts on or in connection with any Certificates or to pay any amount in respect of the relevant Dissolution Amounts or other amounts on or in connection with any Certificates may occur for other reasons which may not be considered significant risks by the Trustee or the Bank based on information currently available to them or which they may not currently be able to anticipate.

Although the Trustee and the Bank believe that the various structural elements described in this Base Prospectus lessen some of these risks for Certificateholders, there can be no assurance that these measures will be sufficient to ensure payment to Certificateholders of any Periodic Distribution Amount or the relevant Dissolution Amounts in respect of the Certificates of any Series on a timely basis or at all.

Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision. Prospective investors should also consult their own financial and legal advisers about risks associated with an investment in any Certificates issued under the Programme and the suitability of investing in such Certificates in light of their particular circumstances, without relying on the Bank, the Arrangers or the Dealers. Investors are advised to make, and will be deemed by the Bank, the Arrangers and the Dealers to have made, their own investigations in relation to such factors before making any investment decisions in relation to the Certificates.

Words and expressions defined elsewhere in this Base Prospectus shall have the same meanings in this section.

Risk factors relating to the Trustee

The Trustee has limited operating history and no material assets and will depend on receipt of payments from the Bank to make payments to Certificateholders

The Trustee was incorporated under the laws of the Cayman Islands on 21 February 2024 as an exempted company with limited liability and has a limited operating history. The Trustee has not and will not engage in any business activity other than the issuance of Certificates under the Programme, the acquisition of Trust Assets as described herein, acting in the capacity as Trustee, the issuance of shares in its capital and other activities incidental or related to the foregoing as required under the relevant Transaction Documents relating to each Series.

The Trustee's only material assets, which will be held on trust for Certificateholders, will be the Trust Assets relating to each Series of Certificates, including the obligation of the Bank to make payments to the Trustee under the relevant Transaction Documents.

The ability of the Trustee to pay amounts due on the Certificates will therefore be dependent upon receipt by the Trustee from the Bank of all amounts due under the Transaction Documents to which it is a party (which in aggregate may not be sufficient to meet all claims under the relevant Certificates and the Transaction Documents in the event that the Bank does not fully perform its obligations thereunder). As a result, the Trustee is subject to all the risks to which the Bank is subject, to the extent such risks could limit the Bank's ability to satisfy in full and on a timely basis, its obligations under the Transaction Documents to which it is a party. See "*Risks related to the Bank's business activities and industry*" for a further description of these risks.

Risks related to the Bank's business activities and industry

Impact of recent macroeconomic and financial market conditions

The Bank, in common with other financial institutions, is susceptible to changes in the macroeconomic environment and the performance of financial markets generally. As at the date of this Base Prospectus, the

performance of global debt, equity and commodity markets has been volatile, reflecting the ongoing volatility in the macro-economic climate which has had, and which continues to have, a material adverse effect on the world's economies, including the economies of the UAE and other Gulf Cooperation Council ("GCC"), states.

Oil Price Volatility

While oil prices generally recovered in 2021 from the extreme lows experienced in mid-2020, in February 2022, Russia invaded Ukraine resulting in significant global economic uncertainty and market volatility. In response to the invasion, many countries around the world imposed broad-based sanctions targeting Russia, which, together with Russia's occupation of parts of Ukraine, impacted global supply chains for major commodities and resulted in a significant reduction in the gas supply from Russia to Europe. These actions also resulted in an immediate and significant increase in oil and gas prices and prices remained higher than in 2021 for almost all of 2022. Towards the end of 2022 and in the first part of 2023, amendments to the sanctions on Russia and production cuts announced by OPEC helped support oil prices, although generally lower demand for the remainder of the year resulted in lower annual average oil prices in 2023 compared to 2022. Although oil prices generally declined in 2023, future significant and sustained increases to oil prices, due to the ongoing Russia-Ukraine crisis, instability in the Middle East (See "*Political, Economic and Related Considerations*"), or for any other reason, and particularly when coupled with high inflation, may have a negative impact on the Bank's corporate and individual customers. See "*The UAE's economy is highly dependent upon its oil revenue*" below for information regarding the UAE's exposure to oil prices. This, in turn, may have an adverse effect on the Bank's business, financial condition, results of operations and prospects.

In addition, a significant reduction in international oil prices, particularly if they were to remain low for an extended period, could impact the Bank in a number of ways, including (i) through its exposure to customers whose business is, directly or indirectly, reliant on oil revenue and who become unable to service their debt, (ii) through reduced liquidity as deposits from government and government-related entities are withdrawn as these depositors are impacted by low oil prices, and (iii) through the impact of low oil prices on the UAE's economy and the consequent impact on the Bank's wholesale and retail customers. All of these factors have the potential to impact the Bank's assessment of its expected credit losses and could therefore result in significantly increased impairment losses in future periods. This could in turn have an adverse effect on the Bank's business, financial condition, results of operations or prospects.

UAE Fiscal Reforms

The volatile oil price environment referred to above stimulated a federal government-led policy of rationalisation of fiscal spending, which in turn, led to an ongoing transformation of the UAE economy. The UAE federal government has scaled back capital transfers to government-related entities, reduced government investment, raised electricity and water tariffs and removed fuel subsidies. Further, with effect from 1 January 2018, the federal government introduced a value-added tax ("VAT") regime in the UAE at a rate of 5 per cent. as part of a broader GCC-wide agreement. The Kingdom of Bahrain joined the GCC VAT regime on 1 January 2019 and Oman implemented VAT on 16 April 2021. Qatar and Kuwait are expected to introduce VAT in the near future. Saudi Arabia, which implemented VAT on 1 January 2018 at the rate of 5 per cent., increased the rate to 15 per cent. effective from 1 July 2020. In addition, on 31 January 2022, the UAE Ministry of Finance announced the introduction of a corporate income tax, which came into effect on 1 June 2023. See "*Tax changes in the UAE may have an adverse effect on the Bank*" below for further information.

In the UAE, these measures have become an integral part of a broader federal government strategy aimed at reducing fiscal dependency on hydrocarbon related revenues, in addition to the rationalisation of fiscal expenditure referred to above. When taken in totality with the ongoing oil price volatility and domestic job losses in both the private and public sectors across the UAE, this ongoing transformative process could have a material adverse effect on the Bank's loan portfolio and its credit risk profile generally.

Inflation

Many of the world's economies have been experiencing high levels of inflation since mid-2021. A fall in global energy and food prices, from the highs of 2022, facilitated a process of disinflation across key economies during 2023. Disinflationary trends are now visible across most major economies. In 2023, average inflation rates, based on the consumer price index, stood at 4.6 per cent. in advanced economies

and 8.4 per cent. in emerging market and developing economies. However, for 2024, global headline inflation is anticipated to decrease to 5.9 per cent. from the previous year's average of 6.8 per cent. Advanced economies are forecasted to experience faster disinflation, where inflation is expected to drop to an annual average of 2.6 per cent., in contrast to emerging market and developing economies, where inflation is expected to decrease to an annual average of 8.3 per cent. (*source*: International Monetary Fund World Economic Outlook April 2024). Whilst the expectation is for inflation to generally decline, as with the growth outlook, considerable uncertainty surrounds inflation projections. Various factors have contributed to shaping inflation outlook, including the Russia-Ukraine conflict, which caused increases to energy and food prices (due to disruptions in the supply of commodities such as wheat, corn and fertilisers). While disinflationary trends are now visible across most major economies, the possibility of further supply shocks led by geopolitical risks could cause an increase in prices of commodities and manufactured goods and lead to inflation effects on wages. Prolonged inflation could affect the wider global economy (by, for example, causing prompt broad-based selling in long-duration, fixed-rate debt, which could have negative implications for equity and real estate markets) and the Bank's customers and counterparties (leading to lower recoverability), which, in turn, could have a material adverse effect on the Bank.

Volatility in the Financial Markets

During events of extreme volatility witnessed in financial markets since 2014 there have been periods of reduced liquidity, widening credit spreads and a lack of price transparency in credit and capital markets. These adverse market conditions have impacted investment markets both globally and in the UAE, through increased volatility in asset prices, commodity prices, interest rates and exchange rates.

On 6 July 2020, the Central Bank of the UAE (the "**UAE Central Bank**") introduced the overnight deposit facility to enable conventional banks operating in the UAE to deposit their surplus liquidity at the UAE Central Bank on an overnight basis. Accordingly, the general stance of the UAE Central Bank's monetary policy would be signalled through the interest rate of the overnight deposit facility, which became the main policy rate of the UAE Central Bank (the "**UAE Base Rate**"). The UAE Central Bank expects overnight money market rates to hover around the UAE Base Rate under normal market conditions. The UAE Base Rate is anchored to the United States Federal Reserve Board (the "**U.S. Federal Reserve**") interest rate on excess reserves (*source*: The UAE Central Bank). Between 16 March 2022 and 27 July 2023, and in response to high levels of inflation, the United States Federal Reserve Board increased U.S. overnight interest rates by an aggregate of 525 basis points. Each increase to the U.S. overnight interest rates was followed by a corresponding increase to the UAE Base Rate by the UAE Central Bank. Since September 2023, the U.S. Federal Reserve has left U.S. overnight interest rates unchanged and in January 2024, the U.S. Federal Reserve indicated that it would not be appropriate to reduce rates until it has gained greater confidence that inflation is moving sustainably toward the U.S. target rate. It is highly probable that the UAE Base Rate will continue to track U.S. interest rate movements.

Separately, since 16 March 2022, the UAE Central Bank has maintained the interest rate applicable to borrowing short-term liquidity from the UAE Central Bank through all standing credit facilities at 50 basis points above the UAE Base Rate. Future movements in such rates may adversely impact the Bank's net interest margins, borrowing costs and capital if the Bank is unable to adjust to the volatile interest rate environment.

As a result of market conditions prevailing as at the date of this Base Prospectus, companies to which the Bank has directly extended or continues to extend credit have experienced, and may continue to experience, decreased revenues, financial losses, insolvency, difficulty in obtaining access to financing and increased funding costs and some of these companies have been unable to meet their debt service obligations or other expenses as they become due, including amounts payable to the Bank.

The business, results of operations, financial condition and prospects of the Bank may be materially adversely affected by future periods of unfavourable economic conditions in the other countries of the GCC and emerging markets generally as well as by United States, European and international trading market conditions and/or related factors.

Loan Growth

The Bank's gross loans and advances to customers, including Islamic financing and investment products, (before allowances) increased during 2023 and were AED 113,329 million as at 31 December 2023, compared with AED 95,085 million as at 31 December 2022.

The Bank's credit exposure and profile continues to be monitored by the Bank's Board of Directors and management to accurately assess credit quality and develop the Bank's credit risk management policies and procedures.

The Bank attracts and retains qualified personnel and trains new personnel appropriately to monitor asset quality and to ensure access to appropriately flexible funding sources that do not impose inappropriate constraints on the Bank's future funding strategy. Furthermore, the development of new products geared towards the Bank's expanding customer profiles, require credit assessment skills and input from personnel, as well as well-developed and established risk management procedures and systems.

There can be no assurance that the Bank will obtain the necessary skills and systems to manage the growth of its business and the related risks in a timely manner. Failure to manage growth successfully and to maintain the quality of its assets and/or flexibility as to funding sources could have a material adverse effect on the business, operations, financial condition or prospects of the Bank and could, in turn, adversely affect the market price and liquidity of the Certificates.

Principal Shareholder

As at 31 December 2023, approximately 83.4 per cent. of the capital of the Bank was owned by members of the Al-Ghurair family, either directly or indirectly through companies controlled by them. The Bank emphasises sound corporate governance and maintains independent non-executive directors on its board, as well as a leadership forum comprised of senior managers who are unrelated to the Al-Ghurair family. See "*Management and Employees – Corporate Governance*", "*Management and Employees – Board of Directors*" and "*Management and Employees – Board of Directors – Management Team*". The Bank is also subject to the regulatory regime described in "*The United Arab Emirates Banking System and Prudential Regulation*". Nevertheless, the Al-Ghurair family has the ability to influence the Bank's business significantly through their ability to control actions that require shareholder approval.

Concentration of Deposit Base

Concentrations in the Bank's deposit portfolio subject it to funding risks from withdrawal of large deposits.

As at 31 December 2023, the Bank's 15 largest corporate depositors accounted for 23 per cent. of total amounts owed to customers compared with 18.9 per cent. as at 31 December 2022. The Bank intends to reduce the concentration in its deposit base by attracting small and medium enterprises ("**SMEs**") and retail depositors. Failure to reduce such concentration could, however, expose the Bank to increased liquidity risk and have a material adverse effect on the Bank's results of operations and financial condition.

The Bank's Assets and Liabilities Committee ("**ALCO**") meets at least once a month to review liquidity ratios, asset and liability structure, interest rate and foreign exchange exposures, internal and statutory ratio requirements, funding gaps and domestic and international economic and financial market conditions.

Although the Bank considers that it has adequate access to sources of funding, the withdrawal of a significant portion of these large deposits may have an adverse effect on the Bank's liquidity, financial condition and results of operations as well as its ability to meet the UAE Central Bank target Net Stable Funding Ratio ("**NSFR**") of 100 per cent.

Liquidity Risk

Liquidity risk is the risk that the Bank will be unable to meet the payment obligations associated with its financial liabilities when they fall due and/or replace funds when they are withdrawn. This could arise from the inability of the Bank to anticipate and provide for unforeseen decreases or changes in funding sources.

An inability on the Bank's part to access funds or to access the markets from which it raises funds may put the Bank's position in liquid assets at risk and lead to it being unable to fund operations adequately. A dislocated credit environment also compounds the risk that the Bank will not be able to access funds at favourable rates. These factors could also lead creditors to form a negative view of the Bank's liquidity, which could result in less favourable credit ratings, higher borrowing costs and reduced access to funds. In addition, because the Bank receives a significant proportion of its funding from customer deposits, the Bank is subject to the risk that customers could withdraw their funds at a rate faster than the rate at which borrowers repay their loans, thus causing further liquidity strain. The Bank's inability to refinance or replace

such deposits with alternative funding could materially adversely affect the Bank's liquidity, business, results of operations, financial condition and prospects.

Although the UAE Ministry of Finance and the UAE Central Bank has supported the domestic banking industry in the past, there can be no assurance that either the UAE Ministry of Finance or the UAE Central Bank will provide any additional support to the Bank and the domestic banking industry or initiate support if another major economic disruption were to occur in the future.

The UAE Central Bank adopted a policy of a gradual, phased introduction of the capital and liquidity standards for credit institutions, approved by the Basel Committee on Banking Supervision (the "**Basel Committee**") in response to the 2008 global financial crisis (the "**Basel III Reforms**"). As part of this gradual introduction of Basel III in the UAE, the UAE Central Bank informed certain banks in the UAE that they are obliged to report the Basel III Liquidity Coverage Ratio ("**LCR**") and the NSFR to the UAE Central Bank.

The LCR is a metric introduced by the Basel Committee as part of the Basel III Reforms to measure a bank's ability to manage a sustained outflow of customer funds in an acute stress event over a 30-day period. The ratio is calculated by taking a financial institution's stock of unencumbered high-quality liquid assets ("**HQLAs**"), which include low-risk, highly marketable asset classes, designed to provide significant sources of liquidity in such a stress scenario, and dividing them by its projected net cash outflows over the immediately following 30-day period. The LCR requires that banks have sufficient HQLAs in their liquidity buffer to cover the difference between expected cash outflows and expected capped cash inflows over a 30-day stressed period. The Basel III Reforms require that the minimum value of the ratio is 100 per cent. (i.e., an institution's stock of HQLAs should at least equal total net cash outflows). See further "*The United Arab Emirates Banking System and Prudential Regulation – Recent Trends in Banking – Liquidity*".

By virtue of the inherent costs associated with LCR compliance and maintaining a sufficient portfolio of HQLAs, the Bank may be at a competitive disadvantage to its peer UAE based financial institutions who are not required to monitor liquidity through LCR, which may have a material adverse effect on its business, results of operations, financial condition and prospects.

Credit Risk

Credit risk is the risk that a customer or counterparty is unable or unwilling to meet its obligations in accordance with agreed terms and in doing so, causes the Bank to incur a financial loss. The Bank manages credit risk by monitoring credit exposures, limiting transactions with specific counterparties, diversifying lending activities, complying with UAE Central Bank regulatory requirements and setting internal concentration limits to avoid undue concentrations of risk with individuals or groups of customers in specific locations or businesses. Concentration in the Bank's loan portfolios subject it to risks from default by its larger borrowers and/or from exposures to particular sectors of the UAE economy.

As at 31 December 2023, the Bank's large exposure (Top 20 funded exposures) accounted for 24 per cent. of gross loans and advances to customers, including Islamic financing and investment products and gross loans to banks. The Bank continues to place emphasis on credit quality and has in place management controls to monitor and manage credit exposure. A failure to achieve this could have a material adverse effect on the Bank's results of operations and financial condition.

As at 31 December 2023, the Bank's assets and liabilities stood at AED 129,441 million and AED 138,304 million, respectively, in the UAE, AED 51,263 million and AED 25,315 million, respectively, in the other Middle Eastern countries, and AED 59,277 million and AED 45,043 million, respectively, outside the region. The Bank regularly reviews and monitors compliance with lending limits to individual financial institutions and country limits.

Credit risk arises from adverse changes in credit quality and recoverability of loans and advances due from counterparties and is inherent in a wide range of the Bank's businesses. Credit risk arises from deterioration in the credit quality of specific counterparties or borrowers of the Bank, from a general deterioration in local or global economic conditions or from systemic risks within the financial sector.

The Bank's gross non-performing loans to gross loans ratio decreased from 2.3 per cent. for the year ended 31 December 2022 to 1.3 per cent. for the year ended 31 December 2023. The Bank's loan-loss coverage

level increased from 190.8 per cent. for the year ended 31 December 2022 to 247.5 per cent. as at 31 December 2023 (including special reserve).

The Bank will have to continue to place emphasis on credit quality and to further develop financial and management controls to monitor this credit exposure. A failure to achieve this could have a material adverse effect on the Bank's results of operations, financial condition and prospects which could, in turn, adversely affect the market price and liquidity of the Certificates.

Real Estate Exposure

The Bank's real estate credit risk weighted exposures ratio is 14.9 per cent of the total credit risk weighted assets as at 31 December 2023, while the total credit risk weighted real estate exposure stood at AED 23.6 billion.

A decrease in real estate prices or a default of the Bank's main real estate related clients could have an adverse effect on the financial condition or results of operations of the Bank.

The Bank has credit-related contingent items and commitments that may lead to potential losses

As part of its normal banking business, the Bank issues loan commitments, guarantees, letters of credit and other financial products, all of which are accounted for as off-balance sheet until such time as they are funded or cancelled. Although these commitments are largely trade contingent and therefore off-balance sheet, they nonetheless subject the Bank to related credit and liquidity risks. While the Bank anticipates that only a portion of the Bank's obligations in respect of these commitments will be triggered, the Bank may become obligated to make payments in respect of a greater portion of such commitments, which could have a material adverse effect on the Bank's funding needs and credit risks. As at 31 December 2023, the Bank had AED 39,825 million in such contingent liabilities.

Interest Rate Risk

The Bank is exposed to risks resulting from changes in interest rates that apply to the Bank's assets and liabilities. In addition, mismatches between the interest rates on its interest-bearing liabilities and interest-earning assets exposes the Bank to basis risk. Although: (i) the Bank monitors its interest rate sensitivity by analysing the composition of its assets and liabilities; and (ii) both deposits and loans often reprice simultaneously providing a natural hedge which reduces the interest rate exposure, sharp interest rate movements could have a material adverse effect on the business, operations, financial condition or prospects of the Bank and could, in turn, adversely affect the market price and liquidity of the Certificates.

Foreign Currency Risks

The Bank is exposed to the effects of fluctuations in foreign currency exchange rates on its financial position and cash flows. The UAE dirham is the Bank's functional currency. Almost all of the Bank's assets and liabilities are denominated in UAE dirham or U.S. dollars and most are match funded in the same currency. As a result, the Bank is exposed to limited structural cross-currency foreign currency risk. However, the Bank currently maintains a position in U.S. dollar within limits approved by the Bank's ALCO.

Dependence on Key Personnel

The Bank's success in growing its business depends, in part, on its ability to continue to attract, retain and motivate qualified and skilled personnel. The Bank also relies on its senior management for the implementation of its strategy and day-to-day operations. As competition for skilled personnel, especially at the senior management level, is intense, the Bank continues to take measures to attract, motivate and retain skilled personnel.

Competition in the UAE for personnel with relevant expertise is also intense due to a disproportionately low number of available qualified and/or experienced individuals compared with demand. If the Bank is unable to retain key members of its senior management and cannot hire new qualified personnel replacements in a timely manner, this could have a material adverse effect on the business, results of operations, financial condition or prospects of the Bank and could, in turn, adversely affect the market price and liquidity of Certificates.

The Bank's business is dependent on its information and technology systems which are prone to potential cyber attacks

In common with other financial institutions globally, the threat to the security of the Bank's information and customer data from cyber attacks is real and continues to grow. The quantity of sensitive financial and personal identifiable information stored by financial institutions globally makes them potential targets of cyber attacks. Activists, rogue states and cyber criminals are amongst those targeting computer systems around the world. Risks to technology and cyber security change rapidly and require continued focus and investment to manage and the Bank acts accordingly and takes appropriate steps on an ongoing basis to combat such threats and minimise such risks by implementing cybersecurity controls. Given the increasing sophistication and scope of potential cyber attacks however, it is possible that future attacks may lead to significant breaches of security. Failure by the Bank or the Bank's customers to adequately manage cybersecurity risk and continually review and update current processes in response to new threats could disrupt the Bank's business, result in the disclosure of confidential information, create significant financial and/or legal exposure and damage the Bank's reputation and/or brands, which could have a material adverse effect on the Bank's business, operations and financial condition.

Risk Management Systems

Measurement and management of various types of risks requires substantial resources. Although management believes that the Bank's information technology and management information systems, policies and procedures are adequate for the purposes of measuring, monitoring and managing the Bank's exposure to credit, operational, liquidity, interest rate, foreign exchange and other risks in the context of its existing business, as the Bank's business continues to grow and develop, the Bank's risk profile also continues to evolve. Management continually assesses the Bank's risk management infrastructure and resources, and has made considerable investments in information technology over the last few years. In the event that the Bank's risk management systems are not developed in line with the growth in the Bank's business and related shifts in its risk exposures, this could have a material adverse effect on the business, operations, financial condition and prospects of the Bank and could, in turn, adversely affect the market price and liquidity of the Certificates.

Operational Risk Management

Operational risk is the risk of loss, whether direct or indirect, due to inadequate or failed internal processes or systems, human error, fraud or external events. Operational risk includes legal and regulatory risk, business process and change risk, fiduciary or disclosure breaches and technology failure. The Bank has developed policies, processes and assessment methodologies such as Risk & Control Self-Assessments ("**RCSA**"), to ensure that operational risk is appropriately identified and managed with effective controls. Despite having RCSA policies and controls in place, it is not possible to eliminate any of the operational risks entirely. Operational risks are inherent in the Bank's day-to-day businesses, may lead to unexpected losses and could have a material adverse effect on the Bank's business, results of operations, financial condition and prospects which could, in turn, adversely affect the market price and liquidity of the Certificates.

Lack of Information and Risk Assessments

Statistical information published in the UAE relating to the economy generally or to specific economic sectors and corporate or financial information relating to companies and other economic enterprises is not as comprehensive as that found in established market economies. Thus, obtaining statistical, corporate and financial information, including audited financial statements and recognised debt rating reports, available to the Bank relating to its prospective corporate borrowers or retail clients makes the assessment of credit risk, including the valuation of collateral, more challenging. Although the establishment of the Al Etihad Credit Bureau has improved the quality of credit information available to UAE banks, the credit bureau remains in a developing stage. See further "*The United Arab Emirates Banking System and Prudential Regulation – Recent trends in banking – AL Etihad Credit Bureau*". Accordingly, the Bank, in common with other UAE banks, is frequently required to make risk management assessments in the absence of the quality and quantity of information available to lenders in other, more developed markets.

Although the Bank ordinarily makes an estimation of the net realisable value of collateral on the basis of which it determines applicable impairment assessment and collateralisation requirements, the absence of additional statistical, corporate and financial information may impact the accuracy of the Bank's

assessments of credit risk, thereby increasing the risk of under-provisioning and decreasing the likelihood that the Bank would be able to enforce any security in respect of the corresponding loan or that the relevant collateral will have a value commensurate to the loan secured on it.

Exposure to Sovereigns

Debt securities held by the Bank include securities issued by the UAE Central Bank and OECD sovereigns, as well as a range of high-grade and other bonds. Under statutory requirements, the Bank's foreign branches are required to maintain a certain portion of their deposits in sovereign or public sector bonds to meet regulatory reserve requirements. Liquid funds at overseas branches have typically been invested in securities of the respective governments. The debt securities held by overseas branches constituted 11.4 per cent. of the investment portfolio as at 31 December 2023. As a result, a failure by the UAE Central Bank or any other relevant overseas government could adversely affect the business, results of operations, financial condition or prospects of the Bank and could, in turn, adversely affect the market price and liquidity of Certificates.

The Bank is subject to the risk of global climate change

The risks associated with climate change include both physical and economic risks. These risks are subject to rapidly increasing international societal, regulatory and political focus. For the Bank, a global shift that results in a transition towards a low carbon economy could have a significant impact on the Bank's business. In addition, physical risks from climate change arise from a number of factors and relate to specific weather events and longer-term shifts in the climate. The nature and timing of extreme weather events are uncertain but they are increasing in frequency and their impact on the global economy is predicted to be more acute in the future.

The potential economic impact of global change includes, but is not limited to, lower GDP growth, higher unemployment and significant changes in asset prices and profitability of industries. As the international and regional economies in which the Bank operate transition to low carbon economies, financial institutions such as the Bank may face significant and rapid developments in stakeholder expectations, policy, law and regulation which could impact the lending activities the Bank undertakes, as well as the risks associated with its lending portfolios, and the value of the Bank's financial assets. Furthermore, the Bank may face greater scrutiny of the type of business it conducts, adverse media coverage and reputational damage, which may in turn impact customer demand for the Bank's products, returns on certain business activities and the value of certain assets and trading positions, which may result in impairment charges.

If the Bank does not adequately embed risks associated with climate change into its risk assessment framework to appropriately measure, manage and disclose the various financial and operational risks it faces as a result of climate change, or fails to adapt its strategy and business model to the changing regulatory requirements and market expectations on a timely basis, there may be a material and adverse impact on the Bank's business, results of operation and financial condition.

Risk Factors relating to the United Arab Emirates

General Risk; Emerging Market Risk

The Bank has a majority of its operations and assets in the UAE. Accordingly, its business may be affected by the financial, political and general economic conditions prevailing from time to time in the UAE and/or the Middle East generally. Moreover, investors should note that the Bank's business and financial performance could be adversely affected by political, economic and related developments both within and outside countries in which the Bank operates because of the interrelationship with global financial markets.

Investors should also be aware that investments in developing markets, such as the UAE, are subject to greater risks than investments in more developed markets, including in some cases significant legal, economic and political risks. Moreover, although economic conditions are different in each country, investors' reactions to developments in one country may affect securities of issuers in other countries, including the UAE. Accordingly, the market prices of Certificates may be subject to significant fluctuations, which may not necessarily be related to the financial performance of the Bank. Investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in light of those risks, their investment is appropriate. Generally, an investment in Certificates is only suitable for sophisticated investors who fully appreciate the significance of the risks involved.

The UAE's economy is highly dependent upon its oil revenue

Although the UAE has a more diversified economy than most other countries in the GCC, the UAE's economy, directly and indirectly remains, highly dependent upon its oil revenues.

According to data produced by OPEC, as at 31 December 2022, the UAE had approximately 9.09 per cent. of the proven crude oil reserves among OPEC members (giving it the fifth largest oil reserves among OPEC members) with OPEC members' total share in the world's crude oil reserve being 79.49 (*source: OPEC Annual Statistical Bulletin 2023*). According to preliminary data produced by the UAE Federal Competitiveness and Statistics Authority ("**FCSA**"), the mining and quarrying sector (which includes crude oil and natural gas) constituted approximately 28.7 per cent. of the UAE's constant GDP as at 30 June 2022, as compared to 27.6 per cent as at 30 June 2021.

According to the OPEC website, the price of the OPEC Reference Basket has fluctuated significantly in recent years. In addition to a fall in the demand for oil as a result of the spread of COVID-19, factors such as the inability of OPEC and its allies to efficiently reach an agreement on oil production levels have had a significant impact on the price of oil. (see further "*Risks related to the Bank's business activities and industry – Impact of recent macroeconomic and financial market conditions – Oil Price Volatility*").

Rising tensions between Russia and the North Atlantic Treaty Organization ("**NATO**") in connection with Ukraine, culminating in the Russia-Ukraine crisis that erupted in February 2022 and saw sanctions imposed on Russian companies and institutions in the energy and banking industry and a ban on imports of Russian oil and gas by some NATO and European countries which is still ongoing, caused oil prices to surge above U.S.\$100.00 for the first time since 2013 to a monthly average price of U.S.\$117. 72 per barrel in June 2022. Although oil prices generally declined in 2023, future significant and sustained increases due to the ongoing Russia-Ukraine crisis, instability in the Middle East (See "*Political, Economic and Related Considerations*") or for any other reason, particularly when coupled with rising inflation, may have a negative impact on the Bank's corporate and retail customers. This, in turn, may have an adverse effect on the Bank's business, financial condition, results of operations and prospects.

With this backdrop, oil prices are expected to continue to fluctuate in the future in response to changes in many factors over which the Bank has no control. Factors that may affect the price of oil include, but are not limited to:

- economic and political developments in oil-producing regions, particularly in the Middle East and in Eastern Europe;
- global and regional supply and demand, and expectations regarding future supply and demand, for oil products;
- the ability of members of OPEC and other crude oil-producing nations to agree upon and maintain specified global production levels and prices;
- the impact of international environmental regulations designed to reduce carbon emissions;
- other actions taken by major crude oil-producing or consuming countries;
- prices and availability of alternative fuels, global economic and political conditions, prices and availability of new technologies using alternative fuels; and
- global weather and environmental conditions.

If international prices for hydrocarbon products were to materially fall from their current levels and remain there for a significant period of time into the future, this could have a material adverse effect on the UAE's economy which, in turn, could have an adverse effect on the Bank's business, financial condition and results of operations.

Tax changes in the UAE may have an adverse effect on the Bank

On 9 December 2022, the UAE Ministry of Finance issued Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the "**Corporate Tax Law**") to enact a Federal corporate tax regime in the UAE, that applies to taxable persons for financial years beginning on or after 1 June 2023.

Under the Corporate Tax Law, corporate tax applies on the net profits of a business. A 9% corporate tax rate applies to taxable income above AED 375,000, while a rate of 0% applies to taxable income not exceeding AED 375,000. The first tax period that the Corporate Tax Law is applicable to the Bank commenced on 1 January 2024.

The above position might be also affected following introduction by the Organisation for Economic Cooperation and Development ("**OECD**") of the Pillar 2 model rules (the "**GloBE**"). The Bank and its subsidiaries are within the rules' scope and required to calculate their GloBE effective tax rate for each jurisdiction where they operate. In principle, the ultimate parent entity of a multinational group would be liable for any top-up tax in respect of low-taxed jurisdictions (i.e. jurisdictions with an effective tax rate below 15 per cent.) and such top-up tax would be payable to the local tax authorities in the jurisdiction of the ultimate parent entity. The Pillar 2 rules are intended to be implemented as part of a common approach, as agreed by the OECD, and were brought into domestic legislation by various countries from 2023. The UAE is working to implement Pillar 2 proposals and further announcements on how these rules will be embedded into UAE corporate income tax regime will be made in due course.

Investors should also be aware that with effect from 1 January 2018, certain GCC states (including the UAE) have implemented a VAT regime at a rate of 5 per cent., as part of a broader GCC-wide agreement. See further "*Risks related to the Bank's business activities and industry – Impact of recent macroeconomic and financial market conditions*".

On 11 May 2020, the government of the Kingdom of Saudi Arabia announced that the VAT rate in the Kingdom of Saudi Arabia would increase from 5 per cent. to 15 per cent. as of 1 July 2020. Also on 11 May 2020, the UAE Ministry of Finance stated that there were no immediate plans to increase the rate of VAT in the UAE.

The UAE national legislation implementing this framework agreement was published on 23 August 2017 (UAE Federal Decree Law No. 8 of 2017) and, on 28 November 2017, the UAE Ministry of Finance published accompanying VAT implementing regulations.

Material amendments to the Corporate Tax Law (or any other analogous tax regime) may have a material adverse effect on the Bank's business, financial condition, results of operations and prospects, which in turn could affect the Bank's ability to perform its obligations in respect of the Transaction Documents. With respect to the introduction of VAT in the UAE, the Bank's costs have increased and its future profitability could be negatively affected, in comparison to the previous tax-free environment.

Political, Economic and Related Considerations

While, historically, the UAE has enjoyed significant economic growth and relative political stability, there can be no assurance that such growth or stability will continue, particularly in the light of significant adverse financial and economic conditions experienced worldwide since early 2008 and, in particular, in light of the COVID-19 pandemic. Since that time, there has been a slowdown or reversal of the high rates of growth that had been experienced by many countries within the GCC and the UAE, especially in Dubai. Consequently, certain sectors of the GCC economy such as financial institutions that had benefited from such high growth rates, have been adversely affected by the global slowdown.

Finally, although the UAE government's policies have generally resulted in improved economic performance, no assurance can be given that such level of performance will be sustained. Similarly, since 2008, global credit markets, particularly in the United States and Europe, have experienced difficult conditions. These challenging market conditions have resulted in reduced liquidity, greater volatility, widening of credit spreads and lack of price transparency in credit markets. The adverse market conditions have impacted investment markets both globally and in the UAE, including adverse changes and increased volatility in interest rates and exchange rates and decreased returns from equity, property and other investments. Such conditions, particularly if they persist for prolonged periods will likely exacerbate the adverse effects that have already been manifested in the UAE property sector.

No assurance can be given that the UAE government will not implement regulations or fiscal or monetary policies, including policies or regulations, or new legal interpretations of existing policies or regulations, relating to or affecting taxation, interest rates or exchange controls, or otherwise take actions which could have a material adverse effect on such performance and, in turn, on the Bank's business, financial condition,

results of operations or prospects which could adversely affect the market price and liquidity of the Certificates.

In addition, much of the revenue to the UAE is generated by the delivery of oil and gas services. The flow of revenue could be disrupted or affected by the occurrence of events or circumstances such as war, terrorist activity, attacks on oil installations and other similar events or a general decline in global oil prices. See further "*Risk Factors – Risk Factors relating to the United Arab Emirates – The UAE's economy is highly dependent upon its oil revenue*".

While the UAE is seen as a relatively stable political environment, certain other jurisdictions in the Middle East are not and there is a risk that regional geopolitical instability could impact the UAE. Instability in the Middle East may result from a number of factors, including government or military regime change, civil unrest or terrorism. In particular, in June 2017, a number of Middle East and North Africa ("MENA") countries including the UAE, the Kingdom of Saudi Arabia, the Kingdom of Bahrain and the Arab Republic of Egypt severed diplomatic relations with the State of Qatar, citing Qatar's alleged support for terrorism and accusing Qatar of creating instability in the region. The termination of diplomatic relations included the withdrawal of ambassadors and imposing trade and travel bans. However, in January 2021, the Kingdom of Saudi Arabia, the Kingdom of Bahrain, Egypt and the UAE announced the ending of the blockade of Qatar including the restoration of diplomatic relations and the reopening of land and sea borders.

There has also been an escalation of tension between Iran and a number of western governments in 2019 following the United States' withdrawal from the Joint Comprehensive Plan of Action, including the attack on a number of oil tankers in the Strait of Hormuz, the seizure of foreign-flagged oil tankers, missile strikes by Iran on United States military bases in Iraq and, more recently, at Israel and the decision of Iran to resume uranium enrichment activities. In addition, in January 2020, the United States carried out a military strike which killed Qassem Soleimani, a senior Iranian military commander. As a result of this military strike, Iran launched missiles at U.S. bases in Iraq. In January 2024, an attack on a U.S. outpost by Iran-backed militants on the Jordan-Syria border resulted in deaths and injuries. In April 2024, following a presumed Israeli air strike on the Iranian consulate in Syria, Iran, along with forces from Iraq, Syria, and Yemen, launched missiles and drones at Israel. The majority of these were intercepted by Israel, with assistance from the United States, the United Kingdom and Jordan. Should there be any further escalation or intensification of international or regional hostilities involving Iran, including any military responses to the incidents of April 2024, this could have a destabilising impact on the Gulf region. The situation remains volatile and uncertain.

On 17 January 2022, the Houthis, a militant Yemeni movement, claimed responsibility for what the UAE described as a drone and missile attack on Abu Dhabi at the facilities of Abu Dhabi National Oil Corporation, a state-owned oil company. In the following weeks, UAE forces intercepted three more hostile drones that entered UAE airspace, one of which was claimed by an Iraqi militia group. The attacks were followed by air strikes by UAE armed forces across targets in Yemen.

In addition, the recent escalation in the ongoing Israeli-Hamas conflict has resulted in an increase in geopolitical tensions in the region and may have far reaching effects on the global economy currency exchange rates and regional economies. There have also been limited skirmishes around the Lebanon-Israel border, and increased escalations of military activities in the wider region. In particular, there have been increased attacks by the Yemeni Houthis on international shipping cargoes traversing the Red Sea and the Gulf of Aden. These attacks on and seizures of oil tankers disrupt international trade and impair trade flows through the Strait of Hormuz. Any resulting military action taken by the United States or any other countries against Al-Houthi bases in Yemen, would have a destabilising impact on the Gulf region. As of the date of this Base Prospectus, the aforementioned hostilities are ongoing. The scale, duration and impact of this conflict in the region and any global effects are currently unclear and cannot be predicted with any certainty. A wider regional conflict or any escalation of the current conflict could have effects on wider geopolitical stability and the global macroeconomic framework.

The Bank's business may be affected by the financial, political and general economic conditions prevailing from time to time in the UAE and the MENA region. It is not possible to predict the occurrence of events or circumstances such as war, terrorism, civil unrest or hostilities, or the impact of such occurrences, and no assurance can be given that the Bank would be able to sustain its business and/or the development of all of its projects if further adverse political events or circumstances were to occur. Any such occurrences could have a material adverse effect on the Bank's business, financial condition and results of operations

and this could therefore affect the ability of the Bank to perform its obligations in respect of the Transaction Documents.

As at 31 December 2023, 42.4 per cent. of the Bank's gross loans and advances to customers, including Islamic financing and investment products, are to corporate and commercial borrowers in the UAE and accordingly, a downturn or instability in certain sectors of the UAE or regional economy could have an adverse effect on the Bank's business, financial condition, results of operations or prospects.

Foreign exchange movements or any alteration to, or abolition of, the foreign exchange "peg" of the UAE dirham to the U.S. dollar may adversely affect the Bank's profitability

The Bank maintains its accounts, and reports its results, in the UAE dirham, while the Certificates are likely to be denominated and payable in U.S. dollars or other foreign currencies. Although the AED has been 'pegged' at a fixed exchange rate to the U.S. dollar since 22 November 1980, the Bank is exposed to the potential impact of any alteration to, or abolition of, this foreign exchange 'peg'.

In response to the volatility of oil prices internationally through 2015, oil producing countries with currencies that had been traditionally pegged to the U.S. dollar, faced pressure to de-peg and, in certain cases, did de-peg their currencies. For example, Kazakhstan de-pegged the Kazakhstani tenge from the U.S. dollar on 20 August 2015, which was followed on 21 December 2015 by the removal of the U.S. dollar peg against the Azerbaijani manat.

There is a risk that additional countries may choose to unwind their existing currency peg to the U.S. dollar, both in the GCC and the wider region. While the long-term impacts of such actions are uncertain, it is likely that any such de-pegged currency would face a de-valuation against the U.S. dollar immediately post-removal of the peg. Given the levels of exposure amongst regional financial institutions to other pegged currencies, it is also likely that such currency de-valuation(s) would pose a systemic risk to the regional banking systems in the UAE and across the GCC region, thereby impacting the open cross-currency positions held by regional banks, including the Bank.

While the UAE Central Bank has re-iterated its intention to retain the UAE dirham peg against the U.S. dollar, there can be no assurance that the UAE dirham will not be de-pegged in the future or that the existing peg will not be adjusted in a manner that adversely affects the Bank's result of operations and financial condition. Additionally, any such de-pegging either in the UAE or across the wider region, particularly if such de-pegging is accompanied by the anticipated currency de-valuations against the U.S. dollar (as described above), could have an adverse effect on the Bank's business, results of operations, financial condition and prospects, and thereby affect the Bank's ability to perform its obligations under the Transaction Documents.

Risk Factors relating to the legal and regulatory environment

Regulation of the Banking Industry

The Bank conducts activities in a highly regulated market which exposes it to risks arising from laws and regulations that apply to the businesses it operates. These laws and regulations are highly dynamic, may vary between jurisdictions, and can be unclear in their application to particular circumstances, especially in new and emerging areas. This exposes the Bank to the risk of loss or the imposition of penalties, damages or fines from the failure of the Bank to meet its legal obligations.

A breach of applicable legislation and/or regulations by the Bank or its employees could result in criminal prosecution, regulatory censure, significant fines and other sanctions in the jurisdictions in which the Bank operates. The Bank may be subject to requests for information, investigations and other reviews by regulators, governmental and other public bodies in connection with business activities in which the Bank is, or has been, engaged.

The outcome of legal or regulatory matters, both those to which the Bank is currently exposed and any others which may arise in the future, is difficult to predict. In connection with such matters, the Bank may incur significant expense, regardless of the ultimate outcome, and any such matters could expose the Bank to any of the following outcomes: substantial monetary damages, settlements and/or fines; remediation of affected customers and clients; other penalties and injunctive relief; additional litigation; criminal prosecution; the loss of any existing agreed protection from prosecution; regulatory restrictions on the Bank's business operations including the withdrawal of authorisations; increased regulatory compliance

requirements or changes to laws or regulations; suspension of operations; public reprimands; loss of significant assets or business; a negative effect on the Bank's reputation; loss of confidence by investors, counterparties, clients and/or customers; risk of credit rating agency downgrades; potential negative impact on the availability and/or cost of funding and liquidity; and/or dismissal or resignation of key individuals. Any of these outcomes could have a material adverse effect on the Bank's business, results of operations, financial condition or prospects, and further on the market price and liquidity of the Certificates.

The Bank is subject to a number of prudential controls designed to maintain the safety and soundness of banks, ensure their compliance with economic, social and other objectives and limit their exposure to risk. These include UAE federal laws and regulations (particularly those of the UAE federal government and the UAE Central Bank). In particular (but without limitation), the Bank is subject to restrictions on credit limits in respect of real estate and construction financing, major shareholders or to a single customer (based on the Bank's customer deposits and/or capital and reserves as prescribed by the UAE Central Bank). Such regulations may limit the Bank's ability to increase its loan portfolio or raise capital or may increase the Bank's cost of doing business.

Regulatory standards applicable to banks in the UAE and the oversight and enforcement thereof by the regulators may differ from those applicable to banking operations in more highly developed regulatory regimes. There can be no assurance that the UAE Government will not implement regulations or policies, including policies or regulations or legal interpretations of existing banking or other regulations, relating to or affecting taxation, interest rates, commissions, fees, inflation or exchange controls, or otherwise take action that could have a material adverse effect on the Bank's business, results of operations, financial condition or prospects, and further on the market price and liquidity of the Certificates.

Although the Bank works closely with its regulators and continually monitors the situation, future changes in regulation, fiscal or other policies which may have a material adverse effect upon the Bank's business, the value of its assets and its financial condition cannot be predicted and are beyond the control of the Bank.

A description of the legal and regulatory environment applicable to banks generally in the UAE is set out below under "*The United Arab Emirates Banking System and Prudential Regulation*".

Changes to the Basel regulatory framework as implemented in the UAE may have an effect on the Bank

The Basel Committee has put forward a number of fundamental reforms to the regulatory capital framework for internationally active banks. On 16 December 2010 and on 13 January 2011, the Basel Committee issued the Basel III Reforms, constituting guidance on the eligibility criteria for Tier 1 and Tier 2 capital instruments as part of a package of new capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards for credit institutions. The implementation of the Basel III Reforms began on 1 January 2013; however, the requirements are subject to a series of transitional arrangements that will be phased in over a period of time. The Basel Committee's press release dated 13 January 2011 entitled "*Minimum requirements to ensure loss absorbency at the point of non-viability*" (the "**January 2011 Press Release**") included an additional qualification requirement for Tier 1 and Tier 2 capital instruments under Basel III.

This requirement (the "**Non-Viability Requirement**") requires contractual or legislative terms providing for, at the option of the relevant authority, the writing-off of the principal amount of Tier 1 and Tier 2 capital instruments or the conversion of such Tier 1 and Tier 2 capital instruments into ordinary shares upon the occurrence of the earlier of: (a) a decision that a write-off, without which the relevant bank would become non-viable, is necessary; and (b) the decision to make a public sector injection of capital, without which the relevant bank would become non-viable, in each case as determined by the relevant authority (a "**Non-Viability Event**"). This definition is for illustrative purposes only and may not necessarily reflect the meaning ascribed to the term "**Non-Viability Event**" (or any term equivalent thereto) pursuant to any law or regulation implementing Basel III in the UAE.

On 23 February 2017, the UAE Central Bank published the "*Regulations re Capital Adequacy*" (the "**February 2017 Regulations**") in the Official Gazette issue 612, which were effective from 1 February 2017. The February 2017 Regulations are intended to ensure that the capital adequacy of all banks operating in the UAE is in line with the Basel III Reforms, whilst implementing the measures contained in the May 2016 consultation document published by the UAE Central Bank, entitled "*Capital Adequacy Regulation*" (the "**Consultation Document**").

The February 2017 Regulations are supported by accompanying standards (the "**Accompanying Standards**") which were published by the UAE Central Bank on 17 January 2018 in its Circular No. 28/2018 entitled "*Standard re Capital Supply*" and are expressed to be effective from 31 December 2017. In addition, in March 2018 the UAE Central Bank published its "*Standard re Tier Capital Instruments*" (the "**Standard re Tier Capital Instruments**" and together with the Accompanying Standards, the "**Capital Standards**") (and accompanying guidance), expressed to be effective from 31 March 2018. The Capital Standards elaborate on the supervisory expectations of the UAE Central Bank, as set out in the February 2017 Regulations, with respect to the relevant Basel III capital adequacy requirements and how they will be applied by the UAE Central Bank to banks in the UAE. For example, banks which are classified as "domestic systemically important banks" (D-SIBs) by the UAE Central Bank will be required to hold additional capital buffers as notified to them by the UAE Central Bank. In addition, a bank may also be subject to additional capital add-on requirements following a Supervisory Review and Evaluation process of the UAE Central Bank.

Moreover, the UAE Central Bank's Standard Re Tier Capital Instruments requires that a periodic distribution on any additional tier 1 instrument should be cancelled if the relevant UAE bank does not have sufficient "Distributable Items" on the relevant date for payment of (i) such periodic distribution and (ii) certain other payment obligations. However, if the UAE Central Bank's ultimate implementation of any additional counter-cyclical or systemically important buffers is not in accordance with the provisions set out in the February 2017 Regulations and the Capital Standards, the regulatory burden on UAE financial institutions such as the Bank may further increase which could adversely impact the Bank's business. In addition, if further counter-cyclical or systemically important buffers are implemented by the UAE Central Bank, it is possible that UAE financial institutions, including the Bank, will be required to increase the levels of Common Equity Tier 1 Capital, Additional Tier 1 Capital and Tier 2 Capital (together, "**Regulatory Capital**") that they hold on their balance sheets.

Such regulations may limit the Bank's ability to increase its loan portfolio or raise capital or may increase the Bank's cost of doing business. Any further changes in laws or in UAE Central Bank regulations or policy and/or the manner in which they are interpreted or enforced may affect the Bank's reserves, revenues and performance and may have a material adverse effect on the Bank's business, results of operations, financial condition and prospects. Furthermore, non-compliance with regulatory guidelines could expose the Bank to potential liabilities and fines. Although the Bank works closely with its regulators and continually monitors compliance with UAE Central Bank regulations and policy, future changes in regulation, fiscal or other policies cannot be predicted and are beyond its control. See further "*The United Arab Emirates Banking System and Prudential Regulation – Recent Trends in Banking – Capital adequacy*".

UAE bankruptcy law may adversely affect the holders of Certificates

In the event of the Bank's insolvency, UAE bankruptcy law may adversely affect the Bank's ability to perform its obligations under the Transaction Documents. There is little precedent to predict how claims by or on behalf of the Certificateholders against the Bank upon its insolvency would be resolved, and therefore there can be no assurance that Certificateholders will receive payment of their claims in full or at all in these circumstances.

Risks factors relating to the Wakala Assets

Limitations relating to the indemnity provisions under the Purchase Undertaking and the Master Declaration of Trust

The Bank has undertaking in the Purchase Undertaking and the Master Declaration of Trust that:

- (a) if, at the time of delivery of an exercise notice in accordance with the provisions of the Purchase Undertaking, Mashreqbank psc remains in actual or constructive possession, custody or control of, all or any part of the Wakala Assets, the Certificateholder Put Option Wakala Assets or the Tangibility Event Wakala Assets, as the case may be; and
- (b) if, following delivery of an exercise notice in accordance with the provisions of the Purchase Undertaking, the Bank fails to pay the relevant Exercise Price, the Certificateholder Put Option Exercise Price or the Tangibility Event Exercise Price, as the case may be, in accordance with the provisions of the Purchase Undertaking for any reason whatsoever,

the Bank shall (as an independent, severable and separately enforceable obligation) fully indemnify the Trustee for the purpose of redemption in full of the Certificates then outstanding or the relevant Certificates to be redeemed on the Certificateholder Put Option Date or the Tangibility Event Put Option Date, as the case may be, and, accordingly, the amount payable under any such indemnity claim will equal the relevant Exercise Price, the Certificateholder Put Option Exercise Price or the Tangibility Event Exercise Price, as the case may be.

Subject to the satisfaction of the conditions in (a) and (b) as described above, if the Bank fails to pay the Exercise Price, the Certificateholder Put Option Exercise Price or the Tangibility Event Exercise Price, as the case may be, in accordance with the Purchase Undertaking, the Delegate (on behalf of the Certificateholders) may, subject to the matters set out in Condition 14 (*Dissolution Events*) and the terms of the Master Declaration of Trust, seek to enforce, *inter alia*, the provisions of the Purchase Undertaking and the Master Declaration of Trust against the Bank by commencing arbitral or legal proceedings.

However, investors should note that, in the event that Mashreqbank psc does not remain in actual or constructive possession, custody or control of, all or any part of the relevant Wakala Assets at the time of delivery of the exercise notice in accordance with the provisions of the Purchase Undertaking (for any reason whatsoever, including, without limitation, it is not legally possible for Mashreqbank psc so to maintain actual or constructive possession, custody or control in the view of a court), the condition in (a) as described above will not be satisfied and, therefore, no amounts will be payable by the Bank under the separate indemnity provisions. For the avoidance of doubt, no investigation has been or will be made by the the Trustee, the Dealers, the Delegate or the Agents as to whether Mashreqbank psc has or will remain in actual or constructive possession, custody or control of any Wakala Assets.

Accordingly, in such event, the Delegate (on behalf of the Certificateholders) may be required to establish that there has been a breach of contract by the Bank in order to prove for damages. Such breach of contract may be due to: (i) a breach by the Bank of the requirement to purchase the Trustee's rights, title, interest, benefits and entitlements in, to and under the relevant Wakala Assets on the relevant Dissolution Date pursuant to the provisions of the Purchase Undertaking; and/or (ii) a breach by the Bank of its undertaking to maintain actual or constructive possession, custody or control of all of the Wakala Assets comprising the Sukuk Portfolio at all times during the Wakala Ownership Period, provided that (a) it is legally possible for the Bank to so maintain; and (b) such maintenance shall not result in a breach of the terms of the relevant Asset Contracts.

As a result, the Delegate (on behalf of the Certificateholders) may not be able to recover, or may face significant challenges in recovering, an amount equal to the relevant Exercise Price, Certificateholder Put Option Exercise Price or Tangibility Event Exercise Price, as the case may be, and in turn, the amount payable to the Certificateholders upon redemption.

Ownership of the Wakala Assets

In order to comply with the requirements of *Shari'a*, an ownership interest in the Wakala Assets comprised within the relevant Sukuk Portfolio should pass to the Trustee under the relevant Master Purchase Agreement, as supplemented by the relevant Supplemental Purchase Agreement (together, the "**Purchase Agreement**"). The Trustee will declare a trust in respect of the Wakala Assets and the other Trust Assets in favour of the Certificateholders of the relevant Series pursuant to the Master Declaration of Trust, as supplemented by the relevant Supplemental Declaration of Trust. Accordingly, from a *Shari'a* perspective, Certificateholders should, through the ownership interest obtained by the Trustee pursuant to the terms of the Purchase Agreement, have an undivided ownership interest in the relevant Wakala Assets.

Limited investigation or enquiry will be made by the Dealers and limited due diligence will be conducted by the Dealers in respect of any Wakala Assets (and for the avoidance of doubt the Delegate or the Agents have not made or will not make any investigation). No due diligence will be conducted by the Dealers, the Delegate or the Agents (a) in respect of any Asset Contracts and whether the terms thereof prevent Mashreqbank psc from maintaining actual or constructive possession, custody or control of the Wakala Assets or (b) whether it is legally possible for Mashreqbank psc to maintain actual or constructive possession, custody or control of any Wakala Assets. The Wakala Assets will be selected by the Bank, and the Certificateholders, the Trustee, the Dealers, the Delegate and the Agents or any of their respective affiliates will have no ability to influence such selection. Only limited representations will be obtained from the Bank in respect of the Wakala Assets. In particular, the precise terms of the Wakala Assets will not be known (including whether there are any restrictions on transfer or any further obligations required

to be performed by the Bank to give effect to the transfer of the Wakala Assets). No steps are intended to be taken to perfect the legal transfer of the ownership interest (including registration, if necessary) in the Wakala Assets with any relevant regulatory authority in the UAE or otherwise give notice to any lessee or obligor in respect thereof. Therefore, other than from a *Shari'a* perspective, Certificateholders shall not have any interest in any Wakala Assets which require perfection in order to legally transfer any ownership interest therein.

Transfer, possession, custody or control of the Wakala Assets

Limited investigation has been or will be made by the Trustee and the Bank (and for the avoidance of doubt the Arrangers, the Dealers, the Delegate or the Agents have not made or will not make any investigation) as to whether any interest in any Wakala Assets may be transferred as a matter of the law governing the contracts (if any) underlying such Wakala Assets, the law of the jurisdiction where such assets are located or any other relevant law and no investigation has been or will be made by the Trustee, the Arrangers, the Dealers, the Delegate or the Agents as to whether the Bank is in actual or constructive possession, custody or control of any Wakala Assets. In addition, limited investigation will be made by the Trustee and the Bank, (and for the avoidance of doubt the Arrangers, the Dealers, the Delegate or the Agents have not made or will not make any investigation) to determine if any Purchase Agreement will have the effect of transferring an interest in the relevant Wakala Assets.

The occurrence of a Tangibility Event may have a significant adverse effect on the liquidity and market value of the Certificates

Following the occurrence of a Tangibility Event, the Certificateholders will be promptly notified that: (a) that a Tangibility Event has occurred; (b) that, as determined in consultation with the Internal Shariah Supervision Committee of the Bank, the Certificates should be tradable only in accordance with the *Shari'a* principles of debt trading (such as the principle that debt is to be traded against tangible assets and/or eligible commodities on a spot settlement basis); (c) that, on the date falling 15 days following the Tangibility Event Put Option Date, the Certificates will be delisted from any stock exchange (if any) on which the Certificates are admitted to listing; and (d) the Tangibility Event Put Period, during which period any Certificateholder shall have the option to require the redemption of all or any of its Certificates. Upon receipt of such notice, the Certificateholders may elect, within the Tangibility Event Put Period, for all or any of their Certificates to be redeemed in accordance with the Conditions. Accordingly, a Tangibility Event may have a significant adverse effect on the liquidity and market value of the Certificates.

Risk factors relating to the Certificates

The Certificates are limited recourse obligations

The Certificates are not debt obligations of the Trustee. Instead, each Certificate represents solely an undivided *pro rata* ownership interest in the relevant Trust Assets relating to that Series. Recourse to the Trustee is limited to the relevant Trust Assets of the relevant Series and the proceeds of the relevant Trust Assets of the relevant Series are the sole source of payments on the Certificates of that Series. Upon receipt by the Trustee of a Dissolution Notice in accordance with the terms of Condition 14 (*Dissolution Events*), the sole rights of each of the Trustee and/or the Delegate (acting on behalf of the Certificateholders) as applicable, will be (subject to Condition 15 (*Enforcement and Exercise of Rights*)) against the Bank to perform its obligations under the Transaction Documents to which it is a party.

Certificateholders will otherwise have no recourse to any assets of the Trustee (other than the Trust Assets), the Bank or the Delegate in respect of any shortfall in the expected amounts due on the Certificates. The Bank is obliged to make certain payments under the Transaction Documents directly to the Trustee, and the Trustee and/or the Delegate will have direct recourse against the Bank to recover such payments due to the Trustee pursuant to the Transaction Documents. No Certificateholder shall be entitled to proceed directly against the Trustee or the Bank under the Certificates or any Transaction Document, unless the Delegate, having become bound so to proceed, (i) fails to do so within 30 days of becoming so bound, or (ii) is unable by reason of an order of a court having competent jurisdiction and such failure or inability is continuing and there is no assurance that the net proceeds of any enforcement action with respect to the Trust Assets (which, as described above, will be by way of enforcing each of the Bank's and the Trustee's respective obligations under the Transaction Documents to which they are a party) will be sufficient to make all payments due in respect of the Certificates.

Under no circumstances shall the Delegate or any Certificateholder have any right to cause the sale or other disposition of any of the relevant Trust Assets (other than as expressly contemplated in the Transaction Documents) and the sole right of the Delegate and the Certificateholders against the Trustee and the Bank shall be to enforce their respective obligations under the Transaction Documents to which they are a party.

After enforcing the rights in respect of the Trust Assets (in the manner described above) and distributing the net proceeds of such Trust Assets in accordance with Condition 6(b) (*Trust – Application of Proceeds from Trust Assets*), the obligations of the Trustee in respect of the Certificates shall be satisfied and no Certificateholder may take any further steps against the Trustee (or any steps against the Delegate) to recover any further sums in respect of the Certificates and the right to receive any such sums unpaid shall be extinguished.

The Certificates may be subject to early dissolution

In certain circumstances, the Certificates may be subject to early dissolution. An early dissolution feature of any Certificate is likely to limit its market value. During any period when the Trustee may (acting on the instructions of the Bank) elect to redeem any Certificates, the market value of those Certificates generally will not rise substantially above the relevant Dissolution Amount payable. This also may be true prior to any dissolution period.

The Trustee may (acting on the instructions of the Bank) be expected to redeem the Certificates when the Bank's cost of financing is lower than the profit rate on the Certificates. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective profit rate as high as the profit rate on the Certificates and may only be able to do so at a significantly lower rate. Potential investors should consider re-investment risk in light of other investments available at that time.

Consents in relation to the variation of the Transaction Documents and other matters

The Master Declaration of Trust and the Conditions of the Certificates contain provisions for calling meetings of Certificateholders of a Series to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Certificateholders of such a Series including Certificateholders who did not attend and vote at the relevant meeting and Certificateholders who voted in a manner contrary to the majority.

The Master Declaration of Trust contains provisions permitting the Delegate from time to time and at any time without any consent or sanction of the Certificateholders to make any modification to the Master Declaration of Trust or any Transaction Document if, in the opinion of the Delegate, such modification: (a) is of a formal, minor or technical nature; (b) is made to correct a manifest error; or (c) is not materially prejudicial to the interests of the Certificateholders and is other than in respect of a Reserved Matter (as defined in the Master Declaration of Trust). Unless the Delegate otherwise agrees, any such modification shall as soon as practicable thereafter be notified to the Certificateholders and shall in any event be binding upon the Certificateholders.

Profit rate risks

Investment in the Certificates involves the risk that if market interest or profit rates subsequently increase above the Profit Rate paid on the Certificates, this will adversely affect the value of the Certificates.

Absence of secondary market/limited liquidity

There is no assurance that a secondary market for the Certificates of any Series will develop or, if it does develop, that it will provide the Certificateholders with liquidity of investment or that it will continue for the life of such Certificates. Accordingly, a Certificateholder may not be able to find a buyer to buy its Certificates readily or at prices that will enable the Certificateholder to realise a desired yield. The market value of the Certificates may fluctuate and a lack of liquidity, in particular, can have a material adverse effect on the market value of the Certificates.

The Trustee and the Bank have applied for Certificates to be admitted to listing on the Official List and to trading on the regulated market of Euronext Dublin however, prospective investors should note that there can be no assurance that such admission to trading will occur or, if it occurs, can be maintained or that it will enhance the liquidity of the Certificates. The absence of a listing on the Official List and/or admission to trading on the regulated market of Euronext Dublin may have an adverse effect on a Certificateholder's

ability to hold, or resell, and the value of, the Certificates. Accordingly, the purchase of the Certificates is suitable only for investors who can bear the risks associated with a lack of liquidity in the Certificates and the financial and other risks associated with an investment in the Certificates.

Certificates where denominations involve integral multiples: Definitive Certificates

In relation to any issue of Certificates which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Certificates may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination.

In such a case a holder who, as a result of trading such amounts, holds a face amount of less than the minimum Specified Denomination would need to purchase an additional face amount of Certificates such that it holds an amount equal to at least the minimum Specified Denomination to be able to trade such Certificates. Certificateholders should be aware that Certificates which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

If a Certificateholder holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time, such Certificateholder may not receive a Definitive Certificate in respect of such holding (should Definitive Certificates be printed) and would need to purchase a face amount of Certificates such that its holding amounts to at least a Specified Denomination in order to be eligible to receive a Definitive Certificate.

If Definitive Certificates are issued, holders should be aware that Definitive Certificates which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Risk factors relating to taxation

Taxation risks on payments

Payments made by the Bank to the Trustee under the Transaction Documents to which it is a party or by the Trustee in respect of the Certificates could become subject to taxation. The Transaction Documents to which it is a party require the Bank (acting in its relevant capacity thereunder), to pay additional amounts in the event that any withholding or deduction is required by law to be made in respect of payments made by it to the Trustee which are intended to fund Periodic Distribution Amounts and Dissolution Amounts. Condition 11 (*Taxation*) provides that the Trustee is required to pay additional amounts in respect of any such withholding or deduction imposed by a Relevant Jurisdiction in certain circumstances. In the event that the Trustee fails to pay any such additional amounts pursuant to Condition 11 (*Taxation*), the Bank has (pursuant to the Master Declaration of Trust) unconditionally and irrevocably undertaken (irrespective of the payment of any fee), as a continuing obligation, to pay to or to the order of the Delegate (for the benefit of the Certificateholders) such net amounts as are necessary so that the amount receivable by the Delegate (after any withholding or deduction for, or an account of Taxes) equals any and all additional amounts required to be paid in respect of the Certificates pursuant to Condition 11 (*Taxation*).

Risk factors relating to enforcement

Claims for specific enforcement

In the event that the Bank fails to perform its obligations under any Transaction Document to which it is a party, the potential remedies available to the Trustee and the Delegate include obtaining an order for specific enforcement of the Bank's obligations or a claim for damages. There is no assurance that a court will provide an order for specific enforcement of a contractual obligation, which is a discretionary matter for the relevant court.

The amount of damages which a court may award in respect of a breach will depend upon a number of possible factors including an obligation on the Trustee and the Delegate to mitigate any loss arising as a result of the breach. No assurance is provided on the level of damages which a court may award in the event of a failure by the Bank to perform its obligations set out in the Transaction Documents to which it is a party.

Investors may experience difficulties in enforcing arbitral awards and foreign judgments in the UAE

The payments under the Certificates are dependent upon the Bank making payments in the manner contemplated under the Transaction Documents. If the Bank fails to do so, it may be necessary for an investor to bring an action against the Bank to enforce its obligations (subject to the provisions of the Conditions), which may be costly and time consuming.

Furthermore, to the extent that enforcement of remedies must be pursued in the UAE, it should be borne in mind that there is limited scope for self-help remedies under UAE law and that generally enforcement of remedies in the UAE must be pursued through the courts.

The Bank has irrevocably agreed that certain of the Transaction Documents to which it is a party be governed by English law and that any dispute arising from any Transaction Document to which it is a party (other than the Master Purchase Agreement, each Supplemental Purchase Agreement and each Sale Agreement) will, unless the option to litigate set out therein is exercised, be referred to the Rules of the LCIA, with the seat of arbitration in London. Under the Conditions, any disputes arising from the Conditions will, unless the option to litigate is exercised, be referred to arbitration in London under the Rules.

The New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958 (the "**New York Convention**") entered into force in the UAE on 19 November 2006. Accordingly, it is expected that an arbitral award obtained in a London-seated arbitration should be enforceable in the UAE in accordance with the terms of the New York Convention. Under the New York Convention, the UAE has an obligation to recognise and enforce foreign arbitration awards, unless the party opposing enforcement can prove one of the grounds under Article V(1) of the New York Convention to refuse enforcement, or the UAE courts find pursuant to Article V(2) of the New York Convention that the subject matter of the dispute is not capable of settlement by arbitration or enforcement would be contrary to the public policy of the UAE.

In practice, however, there is no established track record to demonstrate how the New York Convention provisions would be interpreted and applied by the UAE courts in practice and whether the UAE courts will enforce a foreign arbitration award in accordance with the New York Convention (or any other applicable multilateral or bilateral enforcement treaties). This is reinforced by the lack of a system of binding judicial precedent in the UAE and the independent existence of different Emirates within the UAE, some with their own court systems, whose rulings may have no more than persuasive force cross border. Although there are examples of foreign arbitral awards being enforced in the UAE under the New York Convention, there are other cases where the enforcement of foreign arbitral awards have been refused, with, for example, the relevant judge confusing the requirements for the enforcement of domestic awards with the requirements for the enforcement of foreign court judgments under the UAE. Federal Law No. 1 of 1992 as amended, or ignoring the provisions of Article 238 of Federal Law No. 11 of 1992 (as amended by Federal Law No. 30 of 2005) (the Law of Civil Procedure).

Federal Law No. 42 of 2022 Promulgating the Civil Procedure Code (the "**Civil Procedure Law**") governs the enforcement of foreign arbitral awards in the UAE. Article 223 of the Civil Procedure Law provides that arbitral awards issued in a foreign state may be enforced in the UAE subject to the conditions provided under Article 222 of the Civil Procedure Law. Article 225 of the Civil Procedure Law provides that the rules on enforcement of foreign arbitral awards shall not prejudice the provisions of treaties for the enforcement of foreign judgments, orders and instruments with foreign states, which, by virtue of the operation of Article 223 of the Civil Procedure Law, should also apply in respect of arbitral awards, and accordingly include the New York Convention. However, there is no established track record to demonstrate how any UAE courts will apply the Civil Procedure Law alongside the provisions of such treaties in practice. In addition, Federal Law No. 6 of 2018 (the "**UAE Arbitration Law**") provides certain conditions to the enforcement of domestic arbitral awards in the UAE. There is no established track record to demonstrate how the UAE courts will apply the UAE Arbitration Law in practice and there is a risk that, notwithstanding the Civil Procedure Law or the terms of applicable enforcement treaties, the UAE courts may also apply such conditions to the enforcement of foreign arbitral awards in the UAE. Accordingly, there is a risk that an arbitral award obtained in a London-seated arbitration will be refused enforcement by the UAE courts.

Under the Conditions and the relevant Transaction Documents at the option of the Trustee or the Delegate, any dispute may also be referred to the courts in England or the courts of the DIFC which shall have exclusive jurisdiction to settle any dispute arising from such Transaction Documents.

Where an English judgment has been obtained, there is no assurance that the Bank has, or would at the relevant time have, sufficient assets in the UK against which such a judgment could be enforced.

The Bank is a UAE company and is incorporated in and has its operations and the majority of its assets located in the UAE. A judgment or order of a foreign court may be enforced in the UAE, subject to the conditions provided under Article 222 of the Civil Procedure Law. However, there is no established track record to demonstrate how the UAE courts will apply the Civil Procedure Law in practice.

Under current UAE federal law, the courts in the UAE are unlikely to enforce an English court judgment without re-examining the merits of the claim and may not observe the parties' choice of English law as the governing law of the transaction. In the UAE, foreign law is required to be established as a question of fact and the interpretation of English law by a court in the UAE may not accord with that of an English court. In principle, courts in the UAE recognise the choice of foreign law if they are satisfied that an appropriate connection exists between the relevant transaction agreement and the foreign law which has been chosen. They will not, however, honour any provision of foreign law which is contrary to public policy, order or morals in the UAE, or to any mandatory law of, or applicable in, the UAE. This may mean that the UAE courts may seek to interpret English law governed Transaction Documents as if they were governed by UAE law and there can therefore be no certainty that in those circumstances the UAE courts would give effect to such Transaction Documents in the same manner as the parties may intend.

As the UAE is a civil law jurisdiction, judicial precedents in the UAE have no binding effect on subsequent decisions. In addition, court decisions in Dubai are generally not recorded and there is no formal system of reporting court decisions in the UAE. These factors create greater judicial uncertainty than would be expected in other jurisdictions. The enforcement of a foreign judgment or arbitral award may be a lengthy process in the UAE.

Shari'a requirements in relation to interest awarded by a court

In accordance with applicable *Shari'a* principles, each of the Trustee and the Delegate will waive all and any entitlement it may have to interest awarded in its favour by an arbitrator as a result of any arbitration and/or by a court in connection with any dispute under any of the Transaction Documents. Should there be any delay in the enforcement of a judgment or arbitral award given against the Bank, judgment interest may accrue in respect of that delay and, as a result of the waiver referred to above, the Delegate (and ultimately the Certificateholders) will not be entitled to receive any part of such interest.

Additional risks

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Certificates. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and other factors that may affect the value of the Certificates. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency being included in such list as there may be delays between certain supervisory measures being taken against a relevant rating agency and publication of an updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, in general, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. However, in the case of ratings issued by third country non-UK credit rating agencies, these ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances.

If the status of the rating agency rating the Certificates changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Certificates may have a different regulatory treatment, which may impact the value of the Certificates and their liquidity in the secondary market. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus.

A downgrade in the Bank's credit ratings could limit its ability to negotiate new loan facilities or access the debt capital markets and may increase its borrowing costs and/or adversely affect its relationship with creditors

The Bank's credit ratings, which are intended to measure its ability to meet its debt obligations as they fall due, are an important factor in determining the Bank's cost of borrowing funds. The commercial terms of the Bank's borrowings are partly dependent on its credit ratings. As of the date of this Base Prospectus, the Bank has been rated by Fitch at A, Moody's at A3 and S&P at A. A downgrade of the Bank's credit ratings may increase its cost of borrowing and materially adversely affect its results of operations.

A downgrade of the Bank's credit ratings may also limit its or its subsidiaries' ability to raise capital. Moreover, actual or anticipated changes in the Bank's credit ratings or the credit ratings of the Certificates (if applicable) generally may affect the market value of the Certificates. In addition, ratings assigned to the Certificates (if applicable) may not reflect the potential impact of all risks related to the transaction, the market or any additional factors discussed in this Base Prospectus and other factors may affect the value of the Certificates.

Change of law

The conditions of the Certificates and the Transaction Documents are based on English law, the laws of Dubai, and, to the extent applicable in Dubai, the federal laws of the UAE, and administrative practices in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English or administrative practice after the date of this Base Prospectus nor whether any such change could adversely affect the ability of the Trustee to comply with its obligations and make payments under the Certificates or the Bank to comply with its obligations and make payments under the Transaction Documents to which it is a party.

Investors must make their own determination as to Shari'a compliance

Internal Shariah Supervision Committee of the Bank and the Global Shariah Supervisory Committee of Standard Chartered Bank, have each confirmed that the Transaction Documents are, in their view, compliant with the principles of *Shari'a* as applicable to the Certificates, and as interpreted by them. However, there can be no assurance that the Transaction Documents or any issue and trading of any Certificates will be deemed to be *Shari'a* compliant by any other *Shari'a* board or *Shari'a* scholars or that they would deem the issue or trading of any of the Certificates (including without limitation, any future trading of the Certificates on the secondary market) to be *Shari'a* compliant. None of the Trustee, the Bank, the Arrangers, the Dealers, the Delegate and the Agents or any of their respective affiliates makes any representation as to the *Shari'a* compliance of any Certificates and/or any trading thereof, the Transaction Documents or the above pronouncements and prospective investors are reminded that, as with any *Shari'a* views, differences in opinion are possible and different *Shari'a* standards may be applied by different *Shari'a* boards. In addition, none of the Arrangers, the Dealers, the Delegate and the Agents or any of their respective affiliates will have any responsibility for monitoring or ensuring compliance with any *Shari'a* principles of debt trading referred to in Condition 10(e) (*Capital Distributions of the Trust – Tangibility Event Put Option*) nor shall it be liable to any Certificateholder or any other person in respect thereof. Prospective investors should not rely on the above pronouncements in deciding whether to make an

investment in the Certificates and should obtain their own independent *Shari'a* advice as to whether the Transaction Documents, the Certificates and the issue and trading of the Certificates will comply with *Shari'a* standards (including without limitation, their individual standards of compliance) and make their own determination as to the future tradability (including, without limitation, in compliance with *Shari'a* principles of debt trading) of the Certificates on any secondary market. Questions as to the *Shari'a* compliance of the Transaction Documents or the *Shari'a* permissibility of the issue and the trading of the Certificates may limit the liquidity and adversely affect the market value of the Certificates.

In addition, prospective investors are reminded that the enforcement of any obligations of any of the parties under the Transaction Documents (other than the Master Purchase Agreement, each Supplemental Purchase Agreement and each Sale Agreement) would be, if in dispute, the subject of arbitration in London under the Rules of the LCIA. The Bank has also agreed under the Transaction Documents (other than the Master Purchase Agreement, each Supplemental Purchase Agreement and each Sale Agreement) to which it is a party to submit to the exclusive jurisdiction of the courts of England or the courts of the DIFC at the option of the Trustee or the Delegate. In such circumstances, the arbitrator or court (as applicable) should apply the governing law of the relevant Transaction Document in determining the obligations of the parties, rather than *Shari'a* principles.

Reliance on Euroclear and Clearstream, Luxembourg procedures

The Certificates of each Series will be represented on issue by a Global Certificate that will be deposited with a common depository for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the Global Certificate, investors will not be entitled to receive Certificates in definitive form. Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the ownership interests in the Global Certificate. While the Certificates of any Series are represented by the Global Certificate, investors will be able to trade their ownership interests only through Euroclear and Clearstream, Luxembourg and their respective participants.

While the Certificates of any Series are represented by the Global Certificate, the Trustee will discharge its payment obligations under the Certificates by making payments through the relevant clearing systems. A holder of an ownership interest in a Global Certificate must rely on the procedures of the relevant clearing system and its participants to receive payments under the Certificates. The Trustee has no responsibility or liability for the records relating to, or payments made in respect of, ownership interests in a Global Certificate.

Holders of ownership interests in a Global Certificate will not have a direct right to vote in respect of the Certificates so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

Exchange rate risks and exchange controls

The Trustee will pay Periodic Distribution Amounts and Dissolution Amounts on the Certificates and the Bank will make any payments under the Transaction Documents in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency.

These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls which could adversely affect an applicable exchange rate.

Neither the Trustee nor the Bank have any control over the factors that generally affect these risks, such as economic, financial and political events and the supply and demand for applicable currencies. In recent years, exchange rates between certain currencies have been volatile and volatility between such currencies or with other currencies may be expected in the future. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease: (i) the Investor's Currency equivalent yield on the Certificates; (ii) the Investor's Currency equivalent value of the face amount payable on the Certificates; and (iii) the Investor's Currency equivalent market value of the Certificates.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Trustee or the Bank to make

payments in respect of the Certificates or Transaction Documents (as applicable). As a result, investors may receive lower Periodic Distribution Amounts or amounts in respect of the face amount of such Certificates than expected, or no such Periodic Distribution Amount or face amount.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published and shall be incorporated in, and form part of, this Base Prospectus:

- (a) the unaudited consolidated financial statements of the Group as at and for the three months ending 31 March 2024 (https://www.mashreq.com/-/jssmedia/pdfs/aboutus/investors/2024/MASQ_FS_Q1_E_25_04_2024.ashx);
- (b) the audited consolidated financial statements of the Group as at and for the financial year ended 31 December 2023 and the auditors' report thereon (<https://www.mashreq.com/-/jssmedia/pdfs/aboutus/investors/2023/Mashreq-Consolidated-Financial-Statements-2023-En.ashx>);
- (c) the audited consolidated financial statements of the Group as at and for the financial year ended 31 December 2022 and the auditors' report thereon (<https://www.mashreqbank.com/-/jssmedia/pdfs/aboutus/investors/2022/Mashreq-Consolidated-Financial-Statements-2022-En.ashx>).

Copies of the documents incorporated by reference in this Base Prospectus can be obtained from the registered office of the Bank and from the specified office of the Principal Paying Agent for the time being in London and have been published on the website of the Bank (<https://www.mashreq.com/>) (as indicated above).

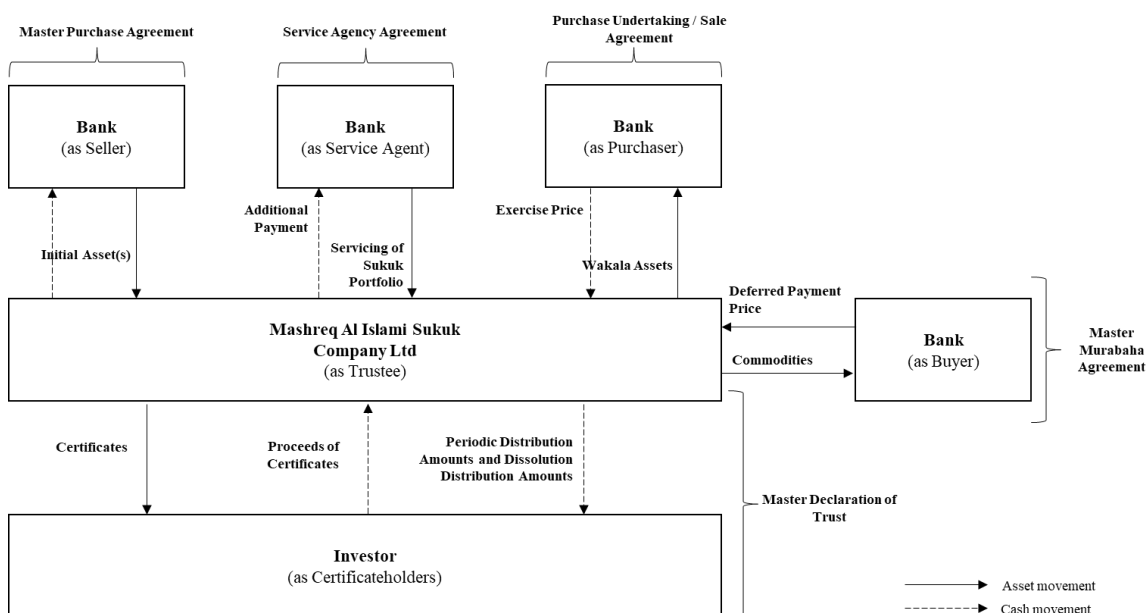
Any documents themselves incorporated by reference in the documents incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus.

Following the publication of this Base Prospectus a supplement may be prepared by the Trustee and the Bank and approved by the Central Bank of Ireland in accordance with Article 23 of the Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

STRUCTURE DIAGRAM AND CASHFLOWS

Set out below is a simplified structure diagram and description of the principal cash flows underlying each Series to be issued under the Programme. Prospective investors are referred to the Conditions and the detailed descriptions of the relevant Transaction Documents set out elsewhere in this Base Prospectus for a fuller description of certain cash flows and for an explanation of the meaning of certain capitalised terms used below.

Structure Diagram



Payments by the Certificateholders and the Trustee

On the Issue Date of each Tranche of Certificates, the Certificateholders will pay the issue price in respect of the Certificates (the "**Issue Price**") to the Trustee, and the Trustee will apply as follows:

- all or a portion of the proceeds of the relevant Issue Price to the Bank (in its capacity as seller, the "**Seller**") as the purchase price payable for the purchase from the Bank of all its rights, title, interests, benefits and entitlements in, to and under the following assets (in the case of the first Tranche of the relevant Series of Certificates, the "**Initial Assets**" or, in the case of each subsequent Tranche of such Series, the "**Additional Assets**") of (i) real estate assets located in the Emirate of Dubai ("**Dubai**") (excluding the DIFC) in relation to which the Bank or any person on its behalf has entered into financing contracts (provided that such real estate asset is in existence on the date on which it initially forms part of the relevant Sukuk Portfolio) (the "**Financing Assets**") and (ii) sukuk or trust certificates that are tradable in accordance with the AAOIFI *Shari'a* Standards as interpreted by the Internal Shariah Supervision Committee of the Seller (including any contracts, other agreements and/or documents evidencing or otherwise related to or associated with any such sukuk or trust certificates, all amounts payable thereunder (including, but not limited to, periodic distribution amounts) and all rights, interests, benefits and entitlements in, to and under such contracts, other agreements and/or documents) (the "**Tangible Sukuk**"), in each case pursuant to a Purchase Agreement; and
- the remaining portion (if any) of the proceeds of the relevant Issue Price (the "**Murabaha Investment Amount**"), to purchase certain *Shari'a* compliant commodities (the "**Commodities**") through the Commodity Agent and the Trustee will sell such Commodities to the Bank (in its capacity as buyer, the "**Buyer**") on a deferred payment basis for a sale price specified in an offer notice (the "**Deferred Sale Price**") pursuant to a murabaha contract (the "**Murabaha Contract**") (such sale of *Shari'a* compliant commodities by the Trustee to the Buyer the "**Commodity Murabaha Investment**") pursuant to the Master Murabaha Agreement,

provided that:

- (i) an amount as specified in the applicable Final Terms, which shall be equal to no less than 55 per cent. of the aggregate face amount of the relevant Certificates, shall be used to purchase Financing Assets and/or the Tangible Part (as defined below) of any Tangible Sukuk comprising the Initial Assets or Additional Assets, as the case may be; and
- (ii) an amount as specified in the applicable Final Terms, which shall be no more than 45 per cent. of the relevant aggregate face amount of the Certificates, shall be used to purchase: (A) (to the extent applicable) the Intangible Part (as defined below) of any Tangible Sukuk comprising the Initial Assets or Additional Assets, as the case may be; and (B) any Commodities in connection with a Commodity Murabaha Investment.

In relation to a Series, the Initial Assets, if applicable, the Additional Assets and, if applicable, each Commodity Murabaha Investment and all other rights arising under or with respect thereto (including the right to receive payment of profit, rental, Deferred Sale Price and any other amounts due in connection therewith) shall comprise the "**Sukuk Portfolio**" in respect of such Series, and any Financing Assets and/or Tangible Sukuk comprised in such Sukuk Portfolio from time to time, the "**Wakala Assets**".

Periodic Distribution Payments

In relation to a Series, all revenues from the Sukuk Portfolio (including all profit, rental, periodic distribution amounts and other amounts (other than any amounts in the nature of capital or principal)) payable in respect of the Wakala Assets and, if applicable, all instalment profit amounts comprising the Deferred Sale Price payable in respect of the Commodity Murabaha Investment but in each case excluding any Sukuk Portfolio Principal Revenues (as defined below) (the "**Sukuk Portfolio Income Revenues**" and, together with any amounts payable in respect of the Wakala Assets comprising the relevant Sukuk Portfolio in the nature of capital or principal, the "**Sukuk Portfolio Revenues**") will be recorded by the Service Agent in a book- entry ledger account (the "**Income Collection Account**"). On each Wakala Distribution Determination Date, the Service Agent shall pay into the relevant Transaction Account amounts standing to the credit of the Income Collection Account, which is intended to fund an amount equal to the aggregate of the Periodic Distribution Amounts payable by the Trustee under the Certificates of the relevant Series on the immediately following Periodic Distribution Date (the "**Required Amount**") and such Required Amount will be applied by the Trustee for that purpose.

In the event that the Sukuk Portfolio Income Revenues are greater than the Required Amount, the amount of any excess shall be credited by the Service Agent to a separate book-entry ledger account (the "**Reserve Account**"). If the amount standing to the credit of the Transaction Account on a Wakala Distribution Determination Date is insufficient to fund the Required Amount, the Service Agent shall apply amounts standing to the credit of the Reserve Account towards such shortfall, by paying an amount *equal* to the same into the Transaction Account. If having applied such amounts from the Reserve Account, there remains a shortfall, the Service Agent may, in its sole discretion, provide either:

- (a) *Shari'a* compliant funding to the Trustee itself; or
- (b) *Shari'a* compliant funding from a third party to be paid to the Trustee,

in each case, in an amount equal to the shortfall remaining (if any) on terms that such funding is repayable from Sukuk Portfolio Revenues received in respect of a subsequent period or on the relevant Dissolution Date on which the Certificates of the relevant Series are redeemed in full (each a "**Liquidity Facility**").

Dissolution Payments

On the business day prior to the relevant Scheduled Dissolution Date in relation to each Series:

- (a) the aggregate amounts of Deferred Sale Price then outstanding, if any, shall become immediately due and payable; and
- (b) the Trustee will have the right under the Purchase Undertaking to require the Bank to purchase all of its rights, title, interests, benefits and entitlements in, to and under Wakala Assets at the relevant Exercise Price,

and such amounts are intended to fund the relevant Dissolution Distribution Amount payable by the Trustee under the Certificates of the relevant Series on the Scheduled Dissolution Date.

The Certificates in relation to any Series may be redeemed in whole or in part, as the case may be, prior to the relevant Scheduled Dissolution Date for the following reasons, in the case of each of (ii) and (iii), if so specified in the applicable Final Terms: (i) for taxation reasons, (ii) at the option of the Bank, (iii) at the option of the Certificateholders, (iv) at the option of the Certificateholders following a Tangibility Event, (v) at the option of the Bank if 75 per cent. or more of the aggregate face amount of Certificates then outstanding have been redeemed and/or purchased and cancelled, and (vi) following a Dissolution Event.

In the case of each of (iii), (iv) and (vi) above such redemption of the Certificates shall be funded in a similar manner as for the payment of the relevant Dissolution Distribution Amount on the Scheduled Dissolution Date save for, on (or, in the case of (iii) above, the business day prior to) the relevant Dissolution Date:

- (a) the aggregate amounts (or the applicable portion thereof) of Deferred Sale Price then outstanding, if any, becoming immediately due and payable; and
- (b) the Trustee having the right under the Purchase Undertaking to require the Bank to purchase all (or the applicable portion thereof, as the case may be) of its rights, title, interests, benefits and entitlements in, to and under the Wakala Assets at the relevant Certificateholder Put Option Exercise Price, Tangibility Event Exercise Price or Exercise Price, as the case may be.

In the case of each of (i), (ii) and (v) above, on the business day prior to the relevant Dissolution Date:

- (a) the aggregate amounts (or the applicable portion thereof) of the Deferred Sale Price then outstanding, if any, shall become immediately due and payable; and
- (b) the Bank will have the right under the Sale Undertaking to require the Trustee to sell, transfer and assign all (or the applicable portion thereof, as the case may be) of the Trustee's rights, title, interests, benefits and entitlements in, to and under the Wakala Assets at the relevant Exercise Price or Optional Dissolution Exercise Price, as the case may be,

and such amounts are intended to fund the relevant Dissolution Amount payable by the Trustee under the Certificates of the relevant Series on the relevant Dissolution Date.

For Shari'a reasons, the Optional Dissolution Right and the Certificateholder Put Option cannot both be specified as applicable in the applicable Final Terms in respect of any single Series.

TERMS AND CONDITIONS OF THE CERTIFICATES

The following are the terms and conditions of the Certificates which, subject to completion and as supplemented by the applicable Final Terms or, as applicable, the applicable Pricing Supplement (as defined below) will be incorporated by reference into each Global Certificate and Definitive Certificate, in the case of Definitive Certificates only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Trustee and the Bank at the time of issue but, if not so permitted and agreed, each Definitive Certificate will have endorsed thereon or attached thereto such terms and conditions. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Certificate and Definitive Certificate. Reference should be made to "applicable Final Terms" for a description of the content of the Final Terms which will specify which of such terms are to apply in relation to the relevant Certificates.

*In the case of a Tranche of Certificates which will not be admitted to listing, trading on (i) a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU, as amended) in the European Economic Area or (ii) a UK regulated market as defined in Regulation (EU) No 600/2014 on markets in financial instruments as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 and/or quotation by any competent authority, stock exchange and/or quotation system ("**Exempt Certificates**") and, accordingly, for which no base prospectus is required to be published under Regulation (EU) 2017/1129 or the Financial Services and Markets Act 2000, as amended, respectively, a pricing supplement (a "**Pricing Supplement**") will be issued describing the final terms of such Tranche of Exempt Certificates. Each reference in these terms and conditions to "**Final Terms**" shall, in the case of a Tranche of Exempt Certificates, be read and construed as a reference to such Pricing Supplement unless the context requires otherwise.*

Mashreq Al Islami Sukuk Company Ltd. (in its capacities as issuer and as trustee, the "**Trustee**") has established a programme (the "**Programme**") for the issuance of trust certificates (the "**Certificates**" and each a "**Certificate**") in a maximum aggregate face amount of U.S.\$2,500,000,000 as may be increased in accordance with the terms of the Master Declaration of Trust (as defined below).

The final terms for a Certificate (or the relevant provisions thereof) are set out in Part A of the applicable Final Terms endorsed on a Certificate which supplement and complete these terms and conditions (the "**Conditions**") and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of each Series. References to the "**applicable Final Terms**" are to the final terms (or the relevant provisions thereof) endorsed on each Certificate.

Each Certificate will represent an undivided *pro rata* ownership interest in the relevant Trust Assets (as defined below) held on trust by the Trustee (the "**Trust**") for the holders of such Certificates pursuant to: (i) a master declaration of trust (the "**Master Declaration of Trust**") dated 18 July 2024 and entered into by the Trustee, Mashreqbank psc (the "**Bank**") and BNY Mellon Corporate Trustee Services Limited as the Trustee's delegate (the "**Delegate**"); and (ii) a supplemental declaration of trust in respect of the relevant Tranche (the "**Supplemental Declaration of Trust**" and, together with the Master Declaration of Trust, the "**Declaration of Trust**").

The Certificates of each Series shall form a separate series and these Conditions shall apply *mutatis mutandis* separately and independently to the Certificates of each Series and, in these Conditions, the expressions "**Certificates**", "**Certificateholders**" and related expressions shall be construed accordingly.

In these Conditions, references to "**Certificates**" shall be references to the Certificates (whether in global form as a global Certificate (a "**Global Certificate**") or in definitive form as definitive Certificates (each a "**Definitive Certificate**")) which are the subject of the applicable Final Terms.

These Conditions include summaries of, and are subject to, the detailed provisions of the Master Declaration of Trust as supplemented by each relevant Supplemental Declaration of Trust and the other Transaction Documents. Payments relating to the Certificates will be made pursuant to an Agency Agreement dated 18 July 2024 (the "**Agency Agreement**") made between, *inter alios*, the Trustee, the Delegate, the Bank, The Bank of New York Mellon, London Branch as principal paying agent (in such capacity, the "**Principal Paying Agent**" and, together with any further or other paying agents appointed from time to time in respect of the Certificates, the "**Paying Agents**"), calculation agent (together with any further or other calculation agents appointed from time to time in respect of the Certificates, in such

capacity, the "**Calculation Agent**"), The Bank of New York Mellon, London Branch as transfer agent (together with any further or other transfer agents appointed from time to time in respect of the Certificates, in such capacity, the "**Transfer Agent**") and The Bank of New York Mellon SA/NV, Dublin Branch as registrar (in such capacity, a "**Registrar**"). The Paying Agents, the Calculation Agent, the Registrar and the Transfer Agent are together referred to in these Conditions as the "**Agents**". References to the Agents or any of them shall include their successors.

The Certificateholders are entitled to the benefit of, are bound by, and are deemed to have notice of the following documents, copies of which are available for inspection and/or collection during usual business hours at the registered office of the Bank (presently at Mashreqbank Global Headquarters, Al Umniyati Street, Burj Khalifa Community, P.O. Box 1250, Dubai, UAE) and at the Specified Office of the Principal Paying Agent:

- (a) a Master Purchase Agreement between the Trustee and the Bank dated 18 July 2024 (the "**Master Purchase Agreement**") and, in respect of each Tranche, (if applicable) the Supplemental Purchase Agreement with respect thereto (the "**Supplemental Purchase Agreement**") having the details set out in the applicable Final Terms;
- (b) a Service Agency Agreement between the Trustee and the Bank dated 18 July 2024 (the "**Service Agency Agreement**");
- (c) a Purchase Undertaking executed by the Bank in favour of the Trustee and the Delegate dated 18 July 2024 (the "**Purchase Undertaking**");
- (d) a Sale Undertaking executed by the Trustee in favour of the Bank dated 18 July 2024 (the "**Sale Undertaking**");
- (e) a Master Murabaha Agreement dated 18 July 2024 between the Trustee, the Bank and the Delegate (the "**Master Murabaha Agreement**") (including any documents, purchase orders and letters of offer and acceptance delivered or entered into as contemplated by the Master Murabaha Agreement);
- (f) the Master Declaration of Trust and, in respect of each Tranche, the applicable Supplemental Declaration of Trust with respect thereto;
- (g) the Agency Agreement;
- (h) a corporate services agreement dated 17 July 2024 between Walkers Fiduciary Limited (as provider of corporate services to the Trustee) and the Trustee (the "**Corporate Services Agreement**"); and
- (i) in respect of each Tranche, the applicable Final Terms,

as each may be amended and restated and/or supplemented from time to time.

Each Certificateholder, by its acquisition and holding of its interest in a Certificate, shall be deemed, in respect of each Series, to authorise and direct the Trustee on behalf of the Certificateholders, to: (i) apply the proceeds of the issue of the Certificates in accordance with the terms of the Transaction Documents; and (ii) enter into, and perform its obligations under and in connection with, each Transaction Document, subject to the terms and conditions of the Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust and these Conditions.

1. **INTERPRETATION**

Words and expressions defined in the Master Declaration of Trust as supplemented by any relevant Supplemental Declaration of Trust and the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and **provided that**, in the event of any inconsistency between any such document and the applicable Final Terms, the applicable Final Terms will prevail. In addition, in these Conditions the following expressions have the following meanings:

"**Accountholder**" means each person who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as entitled to a particular face amount of the Certificates (in which

regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the face amount of such Certificates standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error);

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the applicable Final Terms;

"**Auditors**" means a firm of independent auditors of good repute appointed by the Bank;

"**Bank Event**" has the meaning given to it in Condition 14 (*Dissolution Events*);

"**Broken Amount**" has the meaning given to it in the applicable Final Terms;

"**Business Day**" means:

- (a) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in London, Dubai and each (if any) Additional Business Centre; and
- (b) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in the Principal Financial Centre of the relevant Specified Currency and in each (if any) Additional Business Centre;

"**Calculation Amount**" has the meaning given to it in the applicable Final Terms;

"**Cancellation Notice**" means a cancellation notice in substantially the form of schedule 6 to the Master Declaration of Trust;

"**Certificateholder**" means a person in whose name a Certificate is registered in the Register (or in the case of joint holders, the first named thereof) save that, for so long as the Certificates of any Tranche are represented by a Global Certificate, each Accountholder shall be deemed to be the Certificateholder in respect of the aggregate face amount of such Certificates standing to its account in the records of Euroclear or Clearstream, Luxembourg, as the case may be, for the purposes hereof other than for the purpose of payments in respect thereof, the right to which shall be vested, as against the Trustee, solely in the registered holder of such Global Certificate in accordance with and subject to the terms of the Declaration of Trust and such Global Certificates, and the expressions "**holder**" and "**holder of Certificates**" and related expressions shall (where appropriate) be construed accordingly;

"**Certificateholder Put Option**" means the right specified in Condition 10(d) (*Capital Distributions of the Trust – Certificateholder Put Option*);

"**Certificateholder Put Option Date**" means, in relation to the exercise of the Certificateholder Put Option, the date specified as such in the applicable Final Terms;

"**Certificateholder Put Option Dissolution Amount**" means, in relation to each Certificate to be redeemed on the relevant Certificateholder Put Option Date, the aggregate of:

- (a) the face amount of such Certificate; *plus*
- (b) any accrued but unpaid Periodic Distribution Amounts relating to such Certificate; *plus*
- (c) without duplication or double-counting, such other amount specified in the applicable Final Terms as being payable upon any Certificateholder Put Option Date (if any);

"**Certificateholder Put Option Exercise Price**" has the meaning given to it in the Purchase Undertaking;

"**Clearstream, Luxembourg**" has the meaning given to it in Condition 2(a) (*Form, Denomination and Title – Form and Denomination*);

"Day Count Fraction" means, in respect of the calculation of a Periodic Distribution Amount for any period of time (the **"Determination Period"**), in accordance with Condition 8(b) (*Periodic Distribution Provisions – Determination of Periodic Distribution Amount*):

- (a) if **"Actual/Actual (ICMA)"** is specified in the applicable Final Terms:
 - (i) where the Determination Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Determination Period divided by the product of: (1) the actual number of days in such Regular Period; and (2) the number of Regular Periods in any year; and
 - (ii) where the Determination Period is longer than one Regular Period, the sum of:
 - (A) the actual number of days in such Determination Period falling in the Regular Period in which it begins divided by the product of: (i) the actual number of days in such Regular Period; and (ii) the number of Regular Periods in any year; and
 - (B) the actual number of days in such Determination Period falling in the next Regular Period divided by the product of: (i) the actual number of days in such Regular Period; and (ii) the number of Regular Periods in any year;
- (b) if **"30/360"** is specified in the applicable Final Terms, the number of days in the Determination Period from (and including) the most recent Periodic Distribution Date (or, if none, the Issue Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with twelve 30-day months) *divided by* 360.

"Deferred Sale Price" has the meaning given to it in the Master Murabaha Agreement;

"Delegation" has the meaning given to it in Condition 19 (*The Delegate*);

"Dispute" has the meaning given to it in Condition 22 (*Governing Law and Dispute Resolution*);

"Dissolution Amount" means, in relation to each Certificate, as the case may be:

- (a) the Dissolution Distribution Amount;
- (b) the Early Dissolution Amount (Tax);
- (c) the Optional Dissolution Amount;
- (d) the Certificateholder Put Option Dissolution Amount; or
- (e) the Tangibility Event Dissolution Amount;

"Dissolution Date" means, as the case may be:

- (a) the Scheduled Dissolution Date;
- (b) any Early Tax Dissolution Date;
- (c) any Optional Dissolution Date;
- (d) any Certificateholder Put Option Date;
- (e) any Tangibility Event Put Option Date;
- (f) any Clean Up Call Dissolution Date;
- (g) any Dissolution Event Redemption Date; or

- (h) such other date as specified in the applicable Final Terms for the redemption of Certificates and dissolution of the Trust in whole or in part prior to the Scheduled Dissolution Date;

"Dissolution Distribution Amount" means, in relation to each Certificate, either:

- (a) the sum of:
- (i) the outstanding face amount of such Certificate; and
 - (ii) any accrued but unpaid Periodic Distribution Amounts relating to such Certificate; or
- (b) such other amount specified in the applicable Final Terms as being payable upon any relevant Dissolution Date (if any);

"Dissolution Event" has the meaning given to it in Condition 14 (*Dissolution Events*);

"Dissolution Event Redemption Date" has the meaning given to it in Condition 14 (*Dissolution Events*);

"Dissolution Request" has the meaning given to it in Condition 14 (*Dissolution Events*);

"Early Dissolution Amount (Tax)" means, in respect of any Certificate, the Dissolution Distribution Amount or such other amount specified in the applicable Final Terms payable on any Early Tax Dissolution Date;

"Early Tax Dissolution Date" has the meaning given to it in Condition 10(b) (*Capital Distributions of the Trust – Early Dissolution for Tax Reasons*);

"Euroclear" has the meaning given to it in Condition 2(a) (*Form, Denomination and Title – Form and Denomination*);

"Exercise Notice" means an exercise notice delivered pursuant to the terms of the Purchase Undertaking or the Sale Undertaking, as the context so requires;

"Exercise Price" has the meaning given to it in the Purchase Undertaking or Sale Undertaking, as applicable;

"Extraordinary Resolution" has the meaning given to it in schedule 4 (*Provisions for Meetings of Certificateholders*) to the Master Declaration of Trust;

"Fixed Amount" has the meaning given to it in the applicable Final Terms;

"Group" means the Bank, its holding company (if any) and the Subsidiaries of the Bank or of any such holding company for the time being;

"Indebtedness" means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

- (a) amounts raised by acceptance under any acceptance credit facility;
- (b) amounts raised under any note purchase facility;
- (c) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;
- (d) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 60 days; and
- (e) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing;

"Intangible Asset Percentage" means the percentage specified as such in the applicable Final Terms which shall be no more than 45 per cent. of the outstanding face amount of the Certificates of the relevant Tranche;

"Internal Shariah Supervision Committee of the Bank" means Mashreqbank psc's (acting through its Islamic Banking Division) Internal Shari'ah Supervision Committee;

"Issue Date" has the meaning given to it in the applicable Final Terms;

"Liability" means, in respect of any person, any actual loss, damage, cost (excluding cost of funding and opportunity costs), fee, charge, award, claim, demand, expense, judgment, action, proceeding or other liability whatsoever and including any value added tax or similar tax charged or chargeable in respect of any sums referred to in this definition and legal or other fees and expenses on a full indemnity basis and references to **"Liabilities"** shall mean all of these;

"Material Subsidiary" shall mean a Subsidiary of the Bank or of its holding company (if any) the book value of the assets of which exceeds five per cent. of the book value of the assets of the Group taken as a whole or the revenues of which exceed five per cent. of the revenues of the Group taken as a whole or the net income of which exceeds five per cent. of the net income of the Group taken as a whole and, for these purposes:

- (i) the book value of the assets, the revenues and the net income of such Subsidiary shall be determined by reference to its then most recent audited annual financial statements (or, if none, its then most recent management accounts); and
- (ii) the book value of the assets and the revenues of the Group shall be determined by reference to its then most recent audited annual consolidated financial statements,

in each case adjusted, as the Auditors may consider appropriate, to take account of any changes in circumstances since the date as of which such financial statements (or management accounts) were prepared.

A report of the Auditors that in their opinion a company or corporation is or is not or was or was not at any particular time or throughout any specified period a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties;

"Maximum Notice Period" has the meaning given in the applicable Final Terms;

"Maximum Optional Dissolution Amount" means the amount specified as such in the applicable Final Terms;

"Minimum Notice Period" has the meaning given in the applicable Final Terms;

"Minimum Optional Dissolution Amount" means the amount specified as such in the applicable Final Terms;

"Murabaha Profit" has the meaning given to it in the Master Murabaha Agreement;

"Murabaha Profit Instalments" has the meaning given to it in the Master Murabaha Agreement;

"Optional Dissolution Amount" means, in relation to each Certificate to be redeemed on the relevant Optional Dissolution Date, the aggregate of:

- (a) the face amount of such Certificate; *plus*
- (b) any accrued but unpaid Periodic Distribution Amounts relating to such Certificate; *plus*
- (c) without duplication or double-counting, such other amount specified in the applicable Final Terms as being payable upon any Optional Dissolution Date (if any);

"Optional Dissolution Date" means, in relation to the exercise of an Optional Dissolution Right, the date specified as such in the applicable Final Terms;

"**Optional Dissolution Exercise Price**" has the meaning given to it in the Sale Undertaking;

"**Optional Dissolution Right**" means the right specified in Condition 10(c) (*Capital Distributions of the Trust – Dissolution at the Option of the Bank*);

"**Payment Business Day**" means: (i) in the case where presentation and surrender of a Definitive Certificate is required before payment can be made, a day on which banks in the relevant place of surrender of a Definitive Certificate are open for presentation and payment of registered securities and for dealings in foreign currencies; and (ii) in the case of payment on a Global Certificate, by transfer to an account, if the currency of payment is euro, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

"**Periodic Distribution Amount**" has the meaning given to it in Condition 8(a) (*Periodic Distribution Provisions – Periodic Distribution Amount*) and as specified in the applicable Final Terms;

"**Periodic Distribution Date**" means the date or dates specified as such in the applicable Final Terms;

"**Permitted Security Interests**" means:

- (i) any Security Interest granted upon or with regard to any asset or property hereafter acquired by the Bank or any Material Subsidiary to secure the purchase price of such property (and transactional expenses related to such acquisition) or to secure Indebtedness incurred solely for the purpose of financing the acquisition of such property (including interest accrued thereon) and transactional expenses related to such acquisition, including any Security Interest existing at the time of its acquisition (other than a Security Interest created in contemplation of such acquisition); **provided, however, that** the maximum sum secured by such Security Interest shall not exceed the U.S. dollar equivalent on the date of purchase of the purchase price of such property (including transactional expenses) or the U.S. dollar equivalent on the date of the incurrence of the Indebtedness (including interest accrued thereon) incurred solely for the purpose of financing the acquisition of such property (including transactional expenses);
- (ii) any Security Interest arising in the ordinary course of the Bank's banking business or of the respective business activities of its Material Subsidiaries including, without limitation, sale and repurchase transactions and share, loan and bond lending transactions, **provided that** any such Security Interest is limited to the assets which are the subject of the relevant transaction;
- (iii) any Security Interest in respect of any Indebtedness, **provided that** the aggregate outstanding amount secured thereby shall not at any time exceed an amount equal to 5 per cent. of the aggregate of the share capital and reserves of the Bank and its Subsidiaries, as provided in its most recent audited accounts;
- (iv) any Security Interest created or outstanding with the prior approval by an Extraordinary Resolution of the Certificateholders;
- (v) any Security Interest in existence on the date hereof and any extension, renewal or replacement thereof; **provided, however, that** the total amount of Indebtedness so secured shall not exceed the U.S. dollar equivalent of the amount so secured on the date hereof; and
- (vi) any Security Interest arising by operation of law and in the normal course of business, if such Security Interest is discharged within thirty days of arising;

"**Person**" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"Potential Dissolution Event" means any condition, event or act which, with the giving of notice, lapse of time, declaration, demand, determination or fulfilment of any other applicable condition (or any combination of the foregoing), would constitute a Dissolution Event;

"Principal Financial Centre" means, in relation to any currency, the principal financial centre for that currency **provided that**:

- (a) in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and;
- (b) in relation to Australian dollars, it means either Sydney or Melbourne and, in relation to New Zealand dollars, it means either Wellington or Auckland, respectively as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

"Proceedings" has the meaning given to it in Condition 22 (*Governing Law and Dispute Resolution*);

"Profit Rate" means, in relation to a particular Tranche, the rate or rates (expressed as a percentage per annum) specified in the applicable Final Terms for such Tranche and calculated or determined in accordance with these Conditions and/or the applicable Final Terms;

"Record Date" has the meaning given to it in Condition 9(a) (*Payment – Payments in respect of Certificates*);

"Register" has the meaning given to it in Condition 2(a) (*Form, Denomination and Title – Form and Denomination*);

"Regular Period" means:

- (a) in the case of Certificates where Periodic Distribution Amounts are scheduled to be paid only by means of regular payments, each period from and including the Return Accrual Commencement Date to but excluding the first Periodic Distribution Date and each successive period from and including one Periodic Distribution Date to but excluding the next Periodic Distribution Date;
- (b) in the case of Certificates where, apart from the first Return Accumulation Period, Periodic Distribution Amounts are scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Periodic Distribution Date falls; and
- (c) in the case of Certificates where, apart from one Return Accumulation Period other than the first Return Accumulation Period, Periodic Distribution Amounts are scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Periodic Distribution Date falls other than the Periodic Distribution Date falling at the end of the irregular Return Accumulation Period;

"Relevant Date" has the meaning given to it in Condition 11 (*Taxation*);

"Relevant Jurisdiction" has the meaning given to it in Condition 11 (*Taxation*);

"Relevant Powers" has the meaning given to it in Condition 19 (*The Delegate*);

"Required Amount" has the meaning given to it in the Service Agency Agreement;

"Return Accrual Commencement Date" means the date specified as such in the applicable Final Terms;

"Return Accumulation Period" means the period from (and including) a Periodic Distribution Date (or, in the case of the first Return Accumulation Period, the Return Accrual Commencement Date) to (but excluding) the next (or, in the case of the first Return Accumulation Period, the first) Periodic Distribution Date;

"Rules" has the meaning given to it in Condition 22 (*Governing Law and Dispute Resolution*);

"Sale Agreement" means any sale agreement entered into in connection with the Purchase Undertaking or the Sale Undertaking, as the context so requires;

"Scheduled Dissolution Date" means, in respect of each Series, the date specified as such in the applicable Final Terms;

"Security Interest" means any mortgage, mortgage prenotation, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

"Series" means a Tranche of Certificates together with any additional Tranche or Tranches of Certificates which (a) are expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of Periodic Distribution Amounts thereon and the date from which Periodic Distribution Amounts start to accrue;

"Service Agent" means Mashreqbank psc acting in its capacity as service agent pursuant to the Service Agency Agreement;

"Specified Currency" has the meaning given to it in the applicable Final Terms;

"Specified Denomination(s)" has the meaning given to it in the applicable Final Terms;

"Specified Indebtedness" means any loan or indebtedness either of which is in the form of, or is represented by, bonds, sukuk, notes, debentures or other securities which are, or are intended to be, or are capable of being, quoted, listed, dealt in or traded on any stock exchange, over the counter or other established securities market;

"Specified Office" of any Agent means the office specified against its name in the Agency Agreement or any other address as the Agent has, by prior written notice to the Trustee and the Bank, specified for the relevant purpose;

"Subsidiary" means, in relation to any Person (the **"first Person"**) at any particular time, any other Person (the **"second Person"**):

- (a) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or
- (b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person;

"Sukuk Portfolio" has the meaning given to it in the Service Agency Agreement;

"Sukuk Portfolio Revenues" has the meaning given to it in the Service Agency Agreement;

"Tangibility Event Dissolution Amount" means, in relation to each Certificate to be redeemed on the relevant Tangibility Event Put Option Date, the aggregate of:

- (a) the face amount of such Certificate; *plus*
- (b) any accrued but unpaid Periodic Distribution Amounts relating to such Certificate; *plus*
- (c) without duplication or double-counting, such other amount specified in the applicable Final Terms as being payable upon any Tangibility Event Put Option Date (if any);

"**Tangibility Event Exercise Price**" has the meaning given to it in the Purchase Undertaking;

"**Tangibility Event Put Option**" means the right specified in Condition 10(e) (*Capital Distributions of the Trust – Tangibility Event Put Option*);

"**Tangible Asset Percentage**" means the percentage specified as such in the applicable Final Terms which shall be no less than 55 per cent. of the outstanding face amount of the Certificates of the relevant Tranche;

"**TARGET Settlement Day**" means any day on which the real time gross settlement system operated by the Eurosystem (T2) or any successor or replacement for that system is open;

"**Tax Event**" has the meaning given to it in Condition 10(b) (*Capital Distributions of the Trust – Early Dissolution for Tax Reasons*);

"**Taxes**" has the meaning given to it in Condition 11 (*Taxation*);

"**Tranche**" means Certificates which are identical in all respects (including as to listing and admission to trading);

"**Transaction Account**" means, in relation to each Series, the non-interest bearing account in London in the Trustee's name maintained with the Principal Paying Agent, details of which are specified in the applicable Final Terms;

"**Transaction Documents**" means, in relation to each Series, the Master Purchase Agreement, each relevant Supplemental Purchase Agreement, the Service Agency Agreement, the Purchase Undertaking, the Sale Undertaking, any Sale Agreement, the Master Murabaha Agreement (together with all documents, notices of request to purchase, offer notices, acceptances, notices and confirmations delivered or entered into as contemplated by the Master Murabaha Agreement in connection with the relevant Series), the Master Declaration of Trust, each relevant Supplemental Declaration of Trust, the Agency Agreement and the relevant Certificates;

"**Trust Assets**" has the meaning given to it in Condition 6(a) (*Trust – Trust Assets*); and

"**Trustee Administrator**" means Walkers Fiduciary Limited.

All references in these Conditions to "**U.S. dollars**", "**USD**", "**U.S.\$**" and "**\$**" are to the lawful currency of the United States of America. All references to "**euro**" and "**€**" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Union, as amended.

2. **FORM, DENOMINATION AND TITLE**

(a) **Form and Denomination**

The Certificates are issued in registered form in the Specified Denomination(s). A Certificate will be issued to each Certificateholder in respect of its registered holding of Certificates. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Certificateholders (the "**Register**") which the Trustee will cause to be kept by the Registrar outside the Cayman Islands and the United Kingdom in accordance with the provisions of the Agency Agreement.

Upon issue, Certificates will be represented by beneficial interests in one or more Global Certificates, in fully registered form, which will be deposited with, and registered in the name of a nominee for, a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**"). Ownership interests in Global Certificates will be shown on, and transfers thereof will only be effected through, records maintained by Euroclear and Clearstream, Luxembourg (as applicable), and their respective participants.

References to Euroclear and Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system.

(b) **Title**

Title to the Certificates passes only by registration in the Register. Subject to the terms of any relevant Global Certificate and/or the definition of "**Certificateholders**", the registered holder of any Certificate will (except as otherwise required by law) be treated as the absolute owner of the Certificates represented by the Certificate for all purposes (whether or not any payment thereon is overdue and regardless of any notice of ownership, trust or any interest or any writing on, or the theft or loss of, the Certificate) and no person will be liable for so treating the holder of any Certificate. The registered holder of a Certificate will be recognised by the Trustee as entitled to his Certificate free from any equity, set-off or counterclaim on the part of the Trustee against the original or any intermediate holder of such Certificate.

The Trustee and the Delegate may call for and shall be at liberty to accept and place full reliance on as sufficient evidence thereof and shall not be liable to any Certificateholder by reason only of either having accepted as valid or not having rejected an original certificate or letter of confirmation purporting to be signed on behalf of Euroclear or Clearstream, Luxembourg or any other relevant clearing system to the effect that at any particular time or throughout any particular period any particular person is, was or will be shown in its records as having a particular nominal amount of Certificates credited to his or her securities account.

3. **TRANSFERS OF CERTIFICATES**

(a) **Transfers**

Subject to Condition 3(d) (*Transfers of Certificates – Closed Periods*), Condition 3(f) (*Transfers of Certificates – Regulations*), the limitations as to transfer set out in Condition 2(b) (*Form, Denomination and Title – Title*) and the provisions of the Agency Agreement, a Certificate may be transferred in whole or in an amount equal to the Specified Denomination(s) or any integral multiple thereof by depositing the Certificate, with the form of transfer on the back, duly completed and signed, at the Specified Office of the Transfer Agent together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the individuals who have executed the forms of transfer.

Transfers of interests in the Certificates represented by a Global Certificate will be effected in accordance with the rules of the relevant clearing system through which the interest is held.

(b) **Delivery of New Certificates**

Each new Certificate to be issued upon any transfer of Certificates will, within three business days of receipt by the Transfer Agent of the duly completed form of transfer endorsed on the relevant Certificate, be mailed by uninsured mail at the risk of the holder entitled to the Certificate to the address specified in the form of transfer. For the purposes of this Condition, "**business day**" shall mean a day on which banks are open for business in the city in which the Specified Office of the Transfer Agent with whom a Certificate is deposited in connection with a transfer is located.

Where some but not all of the Certificates in respect of which a Certificate is issued are to be transferred, a new Certificate in respect of the Certificates not so transferred will, within five business days of receipt by the Transfer Agent of the original Certificate, be mailed by uninsured mail at the risk of the holder of the Certificates not so transferred to the address of such holder appearing on the Register or as specified in the form of transfer.

Except in the limited circumstances described in each Global Certificate, owners of interests in a Global Certificate will not be entitled to receive physical delivery of Certificates.

(c) **Formalities Free of Charge**

Registration of any transfer of Certificates will be effected without charge on behalf of the Trustee by the Registrar or the Transfer Agent but upon payment (or the giving of such indemnity as the Trustee, Registrar or Transfer Agent may reasonably require) by the transferee in respect of any stamp duty, tax or other governmental charges which may be imposed in relation to such transfer.

(d) **Closed Periods**

No Certificateholder may require the transfer of a Certificate to be registered during the period of fifteen days ending on (and including) the due date for any payment of the Dissolution Amount or any Periodic Distribution Amount as specified in the applicable Final Terms) or any other date on which payment of the face amount or payment of any profit in respect of a Certificate falls due as specified in the applicable Final Terms.

(e) **Exercise of Options or Partial Dissolution in Respect of Certificates**

In the case of an exercise of the Bank's or a Certificateholder's option in respect of, or a partial redemption of, a holding of Certificates, the Registrar will update the entries on the Register accordingly and, in the case of Definitive Certificates, new Definitive Certificates shall be issued to the Certificateholders to reflect the exercise of such option or in respect of the balance of the holding for which no payment was made. New Definitive Certificates shall only be issued against surrender of the existing Definitive Certificates to the Registrar or any Transfer Agent.

(f) **Regulations**

All transfers of Certificates and entries on the Register will be made subject to the detailed regulations concerning transfers of Certificates scheduled to the Master Declaration of Trust. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Certificateholder who requests in writing a copy of such regulations.

Unless otherwise requested by him, each Certificateholder shall be entitled to receive, in accordance with Condition 2(b) (*Form, Denomination and Title – Title*), only one Certificate in respect of his or her entire holding of Certificates. In the case of a transfer of a portion of the face amount of a Certificate, a new Certificate in respect of the balance of the Certificates not transferred will be issued to the transferor in accordance with Condition 3(b) (*Transfers of Certificates – Delivery of New Certificates*).

4. **STATUS AND LIMITED RECOURSE**

(a) **Status**

Each Certificate will represent an undivided *pro rata* ownership interest in the relevant Trust Assets (pursuant to the Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust) and will be a limited recourse obligation of the Trustee. Each Certificate will rank *pari passu*, without preference or priority, with all other Certificates of the relevant Series issued under the Programme.

The payment obligations of the Bank (acting in any capacity) under the Transaction Documents to which it is a party will be direct, unconditional, unsubordinated and (subject to the provisions of Condition 5 (Negative Pledge)) unsecured obligations of the Bank and rank pari passu among themselves and at least pari passu with the claims of the Bank's unsubordinated and (subject to the provisions of Condition 5 (Negative Pledge)) unsecured creditors, from time to time outstanding, save those whose claims are preferred solely by any bankruptcy, insolvency, liquidation or other similar laws of general application.

(b) **Limited Recourse**

The proceeds of the relevant Trust Assets are the sole source of payments on the Certificates of each Series. Save as provided in this Condition 4 (*Status and Limited Recourse*), Certificates do not represent an interest in or obligation of any of the Trustee, the Delegate, the Bank, any of the Agents or any of their respective affiliates. The net proceeds of the realisation of, or enforcement with respect to, the relevant Trust Assets may not be sufficient to make all payments due in respect of the Certificates. If, following distribution of such proceeds, there remains a shortfall in payments due under the Certificates, subject to Condition 15 (*Enforcement and Exercise of Rights*), Certificateholders acknowledge that, by subscribing for or acquiring Certificates, they will not have any claim against the Trustee (and/or its directors, officers or shareholders), the Bank (to the extent that it fulfils all of its obligations under the Transaction Documents to which it is a party), the Delegate, the Agents or any of their respective affiliates, or against any of their respective assets (other than the relevant Trust Assets) in respect of such shortfall and any unsatisfied claims of Certificateholders shall be extinguished. In particular, no Certificateholder will be able to petition for, or join any other person in instituting proceedings for, the reorganisation, liquidation, winding up or receivership of the Trustee (and/or its directors), the Bank (to the extent that it fulfils all of its obligations under the Transaction Documents to which it is a party), the Delegate, the Agents or any of their respective affiliates as a consequence of such shortfall or otherwise.

The Bank is obliged to make payments under the relevant Transaction Documents to which it is a party directly to the Trustee, the Delegate (acting in the name and on behalf of the Trustee) and/or the Agents. The Delegate will, as delegate of the Trustee for the Certificateholders, have direct recourse against the Bank to recover payments due to the Trustee from the Bank pursuant to such Transaction Documents. None of the Trustee, the Delegate and the Agents or any of their respective affiliates shall be liable for the late, partial or non-recovery of any such payments from the Bank save in the case of its wilful misconduct, actual fraud or gross negligence.

(c) **Agreement of Certificateholders**

By subscribing for or acquiring Certificates, each Certificateholder is deemed to have agreed that notwithstanding anything to the contrary contained in these Conditions or any Transaction Document:

- (i) no payment of any amount whatsoever shall be made by any of the Trustee (acting in any capacity), the Delegate or any of their respective shareholders, directors, officers, employees, corporate services providers or agents on their behalf except to the extent funds are available therefor from the relevant Trust Assets and further acknowledges and agrees that no recourse shall be had for the payment of any amount owing hereunder or under any Transaction Document, whether for the payment of any fee or other amount hereunder or any other obligation or claim arising out of or based upon the Transaction Documents, against the Trustee (acting in any capacity), the Delegate or any of their respective shareholders, directors, officers, employees, corporate services providers or agents to the extent the relevant Trust Assets have been exhausted following which all obligations of the Trustee (acting in any capacity) and the Delegate shall be extinguished;
- (ii) it will not petition for, institute, or join with any other person in instituting proceedings for, the reorganisation, arrangement, liquidation, bankruptcy, winding-up or receivership or other proceedings under any bankruptcy or similar law against the Trustee (and/or its directors);
- (iii) no recourse (whether by institution or enforcement of any legal proceedings or assessment or otherwise) in respect of any breaches of any duty, obligation or undertaking of the Trustee arising under or in connection with any Transaction Document to which it is a party by virtue of any customary law, statute or otherwise shall be had against any shareholder, officer, employee, agent, director or corporate services provider of the Trustee in its capacity as such for any

breaches by the Trustee and any and all personal liability of every such shareholder, officer, employee, agent, director or corporate services provider in its capacity as such for any breaches by the Trustee of any such duty, obligation or undertaking is hereby expressly waived and excluded to the extent permitted by law. The obligations of the Trustee hereunder or any other Transaction Document to which it is a party are corporate or limited liability obligations of the Trustee and no personal liability shall attach to or be incurred by the shareholders, members, officers, employees, agents, directors or corporate services provider of the Trustee (in their capacity as such), save in the case of their wilful misconduct or actual fraud; and

- (iv) it shall not be entitled to claim or exercise any right of set-off, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of any sums due under the Transaction Documents with respect to any liability owed by it to the Trustee or claim any lien or other rights over any property held by it on behalf of the Trustee.

5. **NEGATIVE PLEDGE**

So long as any Certificate shall remain outstanding, the Bank shall ensure that neither the Bank nor any of its Material Subsidiaries shall create or suffer to exist any Security Interest (other than Permitted Security Interests) on or with respect to any of its undertakings, assets, properties or revenues, whether now owned or hereafter acquired to secure any Specified Indebtedness of the Bank or any Material Subsidiary or any obligation, whether actual or contingent, of the Bank or any Material Subsidiary under the guarantee of, or indemnity in respect of, Specified Indebtedness of others without at the same time or prior thereto: (i) securing all amounts (that are in the nature of profit and principal (corresponding to Periodic Distribution Amounts and the Dissolution Amount payable by the Trustee under the Certificates)) payable by the Bank (acting in any capacity) under the Transaction Documents to which it is a party equally and rateably therewith; or (ii) providing such other security for the amounts so payable by the Bank (A) as the Delegate shall in its absolute discretion deem not materially less beneficial to the interests of the Certificateholders; or (B) as may be approved by an Extraordinary Resolution of Certificateholders.

6. **TRUST**

(a) **Trust Assets**

Pursuant to the Master Declaration of Trust, as supplemented by the relevant Supplemental Declaration of Trust for the relevant Tranche, the Trustee holds the Trust Assets for each Series on trust absolutely for and on behalf of the Certificateholders of such Series *pro rata* according to the face amount of Certificates held by each holder. The term "**Trust Assets**" in respect of each Series means the following:

- (i) all of the cash proceeds of the issue of the Certificates, pending the application thereof in accordance with the terms of the Transaction Documents;
- (ii) all of the Trustee's rights, title, interests, benefits and entitlements, present and future, in, to and under the Sukuk Portfolio;
- (iii) all of the Trustee's rights, title, interests, benefits and entitlements, present and future, in, to and under the Transaction Documents (excluding: (i) any representations given by the Bank to the Trustee and/or the Delegate pursuant to any of the Transaction Documents and (ii) the covenant given to the Trustee pursuant to clause 17.1 of the Master Declaration of Trust);
- (iv) all moneys standing to the credit of the Transaction Account from time to time; and
- (v) all proceeds of the foregoing.

(b) **Application of Proceeds from Trust Assets**

On each Periodic Distribution Date, any Dissolution Date or on any earlier date specified for the dissolution of the Trust for each Series, the relevant Paying Agent will apply the moneys standing to the credit of the Transaction Account in the following order of priority:

- (i) *first*, (to the extent not previously paid) to pay the Delegate all amounts owing to it under the Transaction Documents in its capacity as Delegate and to any receiver, manager or administrative receiver or any other analogous officer appointed in respect of the Trust by the Delegate in accordance with the Master Declaration of Trust as supplemented by any relevant Supplemental Declaration of Trust;
- (ii) *second*, (to the extent not previously paid) to pay *pro rata* and *pari passu*: (A) the Trustee in respect of all amounts properly incurred and documented (each in the opinion of the Delegate) owing to it under the Transaction Documents in its capacity as Trustee; (B) the Trustee Administrator in respect of all amounts owing to it under the Corporate Services Agreement in its capacity as Trustee Administrator; and (C) each Agent in respect of all amounts owing to such Agent on account of its fees, costs, charges and expenses and the payment or satisfaction of any liability properly incurred by such Agent pursuant to the Agency Agreement or the other Transaction Documents in its capacity as Agent;
- (iii) *third*, to the Principal Paying Agent for application in or towards payment *pari passu* and rateably of all Periodic Distribution Amounts accrued but unpaid;
- (iv) *fourth*, only if such payment is made on a Dissolution Date, to the Principal Paying Agent for application in or towards payment of the relevant Dissolution Amount; and
- (v) *fifth*, only if such payment is made on a Dissolution Date, payment of any residual amount to the Bank in its capacity as Service Agent as an additional payment under the Service Agency Agreement.

7. **COVENANTS**

The Trustee covenants that, among other things, for so long as any Certificate is outstanding (as defined in the Master Declaration of Trust), it shall not:

- (a) incur any indebtedness in respect of borrowed money whatsoever, or give any guarantee or indemnity in respect of any obligation of any person or issue any shares (or rights, warrants or options in respect of shares or securities convertible into or exchangeable for shares) except, in all cases, as contemplated in the Transaction Documents;
- (b) create any Security Interest over any of its present or future indebtedness for borrowed money or upon any of its present or future assets, properties or revenues (other than those arising by operation of law (if any) (other than under or pursuant to any of the Transaction Documents));
- (c) sell, lease, transfer, assign, participate, exchange or otherwise dispose of, or pledge, mortgage, hypothecate or otherwise encumber (by Security Interest (statutory or otherwise), preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever or otherwise) (or permit such to occur or suffer such to exist), any part of its interests in any of the Trust Assets except pursuant to any of the Transaction Documents;
- (d) subject to Condition 18 (*Meetings of Certificateholders, Modification, Waiver, Authorisation and Determination*), amend or agree to any amendment of any Transaction Document to which it is a party (other than in accordance with the terms thereof) or its constitutional documents;

- (e) except as provided in the Master Declaration of Trust as supplemented by any relevant Supplemental Declaration of Trust, act as trustee in respect of any trust other than the Trust or in respect of any parties other than the Certificateholders;
- (f) have any subsidiaries or employees;
- (g) redeem any of its shares or pay any dividend or make any other distribution to its shareholders;
- (h) use the proceeds of the issue of the Certificates for any purpose other than as stated in the Transaction Documents;
- (i) put to its directors or shareholders any resolution for, or appoint any liquidator for, its winding up or any resolution for the commencement of any other bankruptcy or insolvency proceeding with respect to it; or
- (j) enter into any contract, transaction, amendment, obligation or liability other than the Transaction Documents to which it is a party or as expressly permitted or required thereunder or engage in any business or activity other than:
 - (i) as provided for or permitted in the Transaction Documents;
 - (ii) the ownership, management and disposal of the Trust Assets as provided in the Transaction Documents; and
 - (iii) such other matters which are incidental thereto.

8. PERIODIC DISTRIBUTION PROVISIONS

(a) **Periodic Distribution Amount**

Subject to Conditions 6(b) (*Trust – Application of Proceeds from Trust Assets*) and 9 (*Payment*) a distribution shall be made to holders *pro rata* to their respective holdings out of amounts transferred to the Transaction Account pursuant to the terms of the relevant Transaction Documents on each Periodic Distribution Date equal to the Periodic Distribution Amount payable in respect of the Return Accumulation Period ending immediately before that Periodic Distribution Date. A "**Periodic Distribution Amount**" means, in respect of each Certificate and each Return Accumulation Period, the amount of profit distribution payable in respect of the outstanding face amount of that Certificate for that Return Accumulation Period, which may be a Fixed Amount, a Broken Amount or an amount otherwise calculated in accordance with these Conditions.

(b) **Determination of Periodic Distribution Amount**

Except as provided in the applicable Final Terms, the Periodic Distribution Amount payable in respect of each Certificate for any Return Accumulation Period shall be the Fixed Amount and, if the Certificates are in more than one Specified Denomination, shall be the Fixed Amount as specified in the applicable Final Terms in respect of the relevant Specified Denomination. Payments of Periodic Distribution Amounts on any Periodic Distribution Date as specified in the applicable Final Terms may, if so specified in the applicable Final Terms, amount to the Broken Amount as specified in the applicable Final Terms.

If any Periodic Distribution Amount is required to be calculated for a period other than a Return Accumulation Period or if no relevant Fixed Amount or Broken Amount is specified in the applicable Final Terms, such Periodic Distribution Amount shall be calculated by applying the Profit Rate to the Calculation Amount, multiplying the product by the applicable Day Count Fraction, and rounding the resulting figure to the nearest sub-unit of the relevant Specified Currency (half of any such sub-unit being rounded upwards) and multiplying such rounded figure by a figure equal to the Specified Denomination of the relevant Certificate divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency

that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

9. PAYMENT

(a) **Payments in respect of Certificates**

Subject to Condition 9(b) (*Payment – Payments subject to Applicable Laws*), payment of each Periodic Distribution Amount and the relevant Dissolution Amount will be made by the relevant Paying Agent in the Specified Currency, by wire transfer in same day funds to the registered account of each Certificateholder. Payments of the relevant Dissolution Amount will only be made against surrender of the relevant Certificate, where the Certificate is in definitive form, at the Specified Office of the relevant Paying Agent. Payments of the relevant Dissolution Amount and each Periodic Distribution Amount in respect of the Global Certificate will be paid to the holder shown on the Register at the close of business on the relevant Record Date.

For the purposes of these Conditions:

- (i) a Certificateholder's "**registered account**" means an account denominated in the Specified Currency maintained by or on behalf of it with a bank that processes payments in the Specified Currency, details of which appear on the Register at the close of business on the relevant Record Date;
- (ii) a Certificateholder's "**registered address**" means its address appearing on the Register at that time; and
- (iii) "**Record Date**" means:
 - (A) in the case of the payment of a Periodic Distribution Amount, the close of business on the day prior to the relevant Periodic Distribution Date; and
 - (B) in the case of the payment of a Dissolution Amount, the date falling two Payment Business Days before the relevant Dissolution Date or other due date for payment of the relevant Periodic Distribution Amount.

(b) **Payments subject to Applicable Laws**

All payments are subject in all cases to: (i) any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of this Condition 9 (*Payment*) and Condition 11 (*Taxation*); and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (as amended, the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or (without prejudice to the provisions of Condition 11 (*Taxation*)) any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Certificateholders in respect of such payments.

(c) **Payment only on a Payment Business Day**

Payment instructions (for value the due date or, if that is not a Payment Business Day, for value the first following day which is a Payment Business Day) will be initiated by the relevant Paying Agent, on the due date for payment or, in the case of a payment of the relevant Dissolution Amount, if later, on the Business Day on which the relevant Certificate is surrendered at the Specified Office of the relevant Paying Agent.

Certificateholders will not be entitled to any additional Periodic Distribution Amount, Dissolution Amount or other payment for any delay after the due date in receiving the amount due if the due date is not a Payment Business Day, if the relevant Certificateholder is late in surrendering his Certificate (if required to do so).

If the relevant Dissolution Amount or any Periodic Distribution Amount is not paid in full when due, the relevant Registrar will annotate the Register with a record of the amount actually paid.

(d) **Payment in Arrear**

Subject to Condition 9(e) (*Periodic Distribution Provisions – Cessation of Profit Entitlement*), Condition 10(b) (*Capital Distributions of the Trust – Early Dissolution for Tax Reasons*), Condition 10(c) (*Capital Distributions of the Trust – Dissolution at the Option of the Bank*), and Condition 14 (*Dissolution Events*) below, and unless otherwise specified in the applicable Final Terms, each Periodic Distribution Amount will be paid in respect of the relevant Certificates in arrear on each Periodic Distribution Date specified in the applicable Final Terms.

(e) **Cessation of Profit Entitlement**

No further amounts will be payable on any Certificate from and including the relevant Dissolution Date, unless default is made in the payment of the Dissolution Amount and, as a result, a Sale Agreement has not been executed in accordance with the Purchase Undertaking or the Sale Undertaking, as the case may be, in which case Periodic Distribution Amounts will continue to accrue in respect of the Certificates in the manner provided in this Condition 9 to the earlier of (i) the Relevant Date; or (ii) the date on which a Sale Agreement is executed in accordance with the terms of the Purchase Undertaking or the Sale Undertaking, as the case may be.

(f) **Agents**

In acting under the Agency Agreement and in connection with the Certificates, the Agents act solely as agents of the Trustee and (to the extent provided in the Master Declaration of Trust and the Agency Agreement) the Delegate and do not assume any obligations towards or relationship of agency or trust for or with any of the Certificateholders or any other party to the Transaction Documents.

The names of the initial Agents and their initial Specified Office are set out in this Condition. The Trustee reserves the right at any time to vary or terminate the appointment of any Agent and/or to appoint additional or other Agents **provided that:** (i) it will at all times maintain a Principal Paying Agent and a Registrar (which may be the same entity); and (ii) so long as any Certificates are admitted to listing, trading and/or quotation on any listing authority, stock exchange and/or quotation system, there will at all times be a Paying Agent and a Transfer Agent having its Specified Office in such place (if any) as may be required by the rules of such listing authority, stock exchange and/or quotation system.

Notice of any such change or any change of any Specified Office shall be given to the Trustee, the Delegate and the Certificateholders in accordance with the provisions of the Agency Agreement.

The name and Specified Office of the Principal Paying Agent, Calculation Agent and Transfer Agent:

The Bank of New York Mellon, London Branch
160 Queen Victoria Street
London EC4V 4LA
England

The name and Specified Office of the Registrar:

The Bank of New York Mellon SA/NV, Dublin Branch
Riverside Two
Sir John Rogerson's Quay
Dublin 2
D02 KV60
Ireland

10. **CAPITAL DISTRIBUTIONS OF THE TRUST**

(a) **Dissolution on the relevant Scheduled Dissolution Date**

Unless the Certificates are previously redeemed or purchased and cancelled, the Trustee will redeem the Certificates at the relevant Dissolution Distribution Amount and the Trust will be dissolved by the Trustee on the relevant Scheduled Dissolution Date as specified in the applicable Final Terms, following the payment of such amount in full.

(b) **Early Dissolution for Tax Reasons**

If a Tax Event occurs, where "**Tax Event**" means:

- (i) (A) the Trustee has or will become obliged to pay additional amounts as provided or referred to in Condition 11 (*Taxation*) as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of a Relevant Jurisdiction or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the relevant Series; and (B) such obligation cannot be avoided by the Trustee taking reasonable measures available to it; or
- (ii) (A) the Trustee has received notice from the Bank that it has or will become obliged to pay additional amounts pursuant to the terms of any Transaction Document as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of a Relevant Jurisdiction or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the relevant Series; and (B) such obligation cannot be avoided by the Bank taking reasonable measures available to it,

the Trustee shall, upon receipt of a duly completed Exercise Notice from the Bank in accordance with the Sale Undertaking, redeem the Certificates in whole, but not in part, at any time (such dissolution date being an "**Early Tax Dissolution Date**"), on giving not less than the Minimum Notice Period nor more than the Maximum Notice Period notice to the Certificateholders in accordance with Condition 17 (*Notices*) (which notice shall be irrevocable) at the relevant Early Dissolution Amount (Tax) if the Trustee satisfies the Delegate immediately before the giving of such notice of the occurrence of such a Tax Event **provided, however, that** no such notice of dissolution shall be given earlier than 90 days prior to the earliest date on which (in the case of paragraph (i) above) the Trustee would be obliged to pay such additional amounts if a payment in respect of the Certificates were then due, or (in the case of paragraph (ii) above) the Bank would be obliged to pay such additional amounts if a payment to the Trustee under the relevant Transaction Document was then due.

Prior to the publication by or on behalf of the Trustee of any notice to Certificateholders pursuant to this Condition 10(b) (*Capital Distributions of the Trust – Early Dissolution for Tax Reasons*), the Bank shall deliver to the Trustee and the Delegate: (i) a certificate signed by a duly authorised officer of the Bank stating that the Trustee is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Trustee so to redeem have occurred; and (ii) an opinion of independent legal advisers of recognised standing to the effect either that the Trustee or the Bank, as the case may be, has or will become obliged to pay such additional amounts as a result of such change or amendment.

Upon the expiry of any such notice to Certificateholders as is referred to above and payment in full of the relevant Early Dissolution Amount (Tax) to Certificateholders, the Trustee shall be bound to dissolve the Trust.

(c) **Dissolution at the Option of the Bank**

If the Optional Dissolution Right is specified in the applicable Final Terms, the Trustee shall, upon receipt of a duly completed Exercise Notice from the Bank in accordance with the Sale Undertaking, on giving not less than the Minimum Notice Period nor more than the Maximum Notice Period to the relevant Certificateholders in accordance with Condition 17 (*Notices*) (which notice shall be irrevocable), redeem all or, if so specified in such notice, some only of the Certificates at the relevant Optional Dissolution Amount on the Optional Dissolution Date specified in such notice in accordance with this Condition 10(c) (*Capital Distributions of the Trust – Dissolution at the Option of the Bank*).

Any such redemption or exercise must relate to Certificates of a face amount at least equal to the Minimum Optional Dissolution Amount to be redeemed and no greater than the Maximum Optional Dissolution Amount to be redeemed (in each case as specified in the applicable Final Terms).

If all (and not some only) of the Certificates are to be redeemed on any Optional Dissolution Date in accordance with this Condition 10(c) (*Capital Distributions of the Trust – Dissolution at the Option of the Bank*), upon payment in full of the relevant Optional Dissolution Amount to all Certificateholders, the Trustee shall be bound to dissolve the Trust.

In the case of a partial redemption, the notice to the relevant Certificateholders shall also specify the face amount of Certificates drawn and the holder(s) of such Certificates to be redeemed, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

The Optional Dissolution Right and the Certificateholder Put Option may not both be specified as applicable in the applicable Final Terms in respect of any Series.

(d) **Certificateholder Put Option**

If the Certificateholder Put Option is specified in the applicable Final Terms, the Trustee shall, (unless, prior to the delivery of the Certificateholder Put Option Notice (as defined below) in accordance with this Condition 10(d) (*Capital Distributions of the Trust – Certificateholder Put Option*), the Trustee has given notice of redemption, in whole, but not in part, in accordance with Conditions 10(b) (*Capital Distributions of the Trust – Early Dissolution for Tax Reasons*) or 10(f) (*Capital Distributions of the Trust – Clean Up Call Right*)), at the option of any Certificateholder, upon such holder giving not less than the Minimum Notice Period nor more than the Maximum Notice Period notice to the Trustee, upon the expiry of such notice, redeem such Certificates on the Certificateholder Put Option Date at the relevant Certificateholder Put Option Dissolution Amount. If all (and not some only) of the Certificates are to be redeemed on any Certificateholder Put Option Date in accordance with this Condition 10(d) (*Capital Distributions of the Trust – Certificateholder Put Option*), upon payment in full of the relevant Certificateholder Put Option Dissolution Amount to all Certificateholders, the Trustee shall be bound to dissolve the Trust.

To exercise the option in this Condition 10(d) (*Capital Distributions of the Trust – Certificateholder Put Option*) the relevant holder must, if such Certificates are in definitive form and held outside Euroclear and Clearstream, Luxembourg, deposit its Certificate(s), on any business day in the city of the Specified Office of the Principal Paying Agent falling within the notice period, with the Principal Paying Agent, giving notice to the Principal Paying Agent of such exercise (a "**Certificateholder Put Option Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable). If Certificates are represented by a Global Certificate or are in definitive form and held through Euroclear or Clearstream, Luxembourg, then in order to exercise the option in this Condition 10(d) (*Capital Distributions of the Trust – Certificateholder Put Option*), a

Certificateholder must, within the notice period, give notice to a Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg in a form acceptable to the relevant clearing system from time to time (which shall, if acceptable to the relevant clearing system, be in the form of a duly completed Certificateholder Put Option Notice in the form set out in the Agency Agreement and obtainable from any Paying Agent, the Registrar or any Transfer Agent) and, if this Certificate is represented by a Global Certificate, at the same time present or procure the presentation of the relevant Global Certificate to a Paying Agent for notation or entry in the Register accordingly.

Any Certificateholder Put Option Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg by a holder of any Certificates pursuant to this Condition 10(d) (*Capital Distributions of the Trust – Certificateholder Put Option*) shall be irrevocable except where, prior to the due date of redemption, a Dissolution Event has occurred and the Delegate has declared the Certificates due and payable pursuant to Condition 14 (*Dissolution Events*), in which event such holder, at its option, may elect by notice to the Trustee to withdraw the notice given pursuant to this Condition 10(d) (*Capital Distributions of the Trust – Certificateholder Put Option*).

The Certificateholder Put Option and the Optional Dissolution Right may not both be specified in the applicable Final Terms in respect of any Series.

(e) **Tangibility Event Put Option**

The Trustee shall, upon receipt of a Tangibility Event Trustee Notice from the Bank in accordance with the Service Agency Agreement, promptly give notice (a "**Tangibility Event Notice**") to the Delegate and the Certificateholders in accordance with these Conditions specifying:

- (i) that a Tangibility Event has occurred, together with an explanation of the reasons for, and evidence of, such occurrence;
- (ii) that, as determined in consultation with the Internal Shariah Supervision Committee of the Bank, the Certificates should be tradable only in accordance with the Shari'a principles of debt trading (such as the principle that debt is to be traded against tangible assets and/or eligible commodities on a spot settlement basis);
- (iii) that, on the date falling 15 days following the Tangibility Event Put Option Date, the Certificates will be delisted from any stock exchange (if any) on which the Certificates are admitted to listing or, if such date is not a business day, the next following business day ("**business day**" being, for this purpose, a day on which the stock exchange on which the Certificates are admitted to listing is open for business); and
- (iv) the Tangibility Event Put Period, during which period any Certificateholder shall have the option to require the redemption of all or any of its Certificates.

Upon receipt of the Tangibility Event Notice, Certificateholders may elect, within the Tangibility Event Put Period, for all or any of their Certificates to be redeemed.

If any Certificateholders elect to redeem their Certificates, in whole or in part, in accordance with this Condition 10(e) (*Capital Distributions of the Trust – Tangibility Event Put Option*), the Trustee shall redeem such Certificates on the Tangibility Event Put Option Date at the relevant Tangibility Event Dissolution Amount. If all (and not some only) of the Certificates are to be redeemed on any Tangibility Event Put Option Date in accordance with this Condition 10(e) (*Capital Distributions of the Trust – Tangibility Event Put Option*), upon payment in full of the relevant Tangibility Event Dissolution Amount to all Certificateholders, the Trustee shall be bound to dissolve the Trust.

To exercise the option in this Condition 10(e) (*Capital Distributions of the Trust – Tangibility Event Put Option*), the relevant holder must, if such Certificates are in definitive form and held outside Euroclear and Clearstream, Luxembourg, deposit its Certificate(s), on any business day in the city of the Specified Office of the Principal Paying Agent falling within the Tangibility Event Put Period, with the Principal Paying Agent, giving notice to the Principal Paying Agent of such exercise (a "**Tangibility Event Put Option Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable). If Certificates are represented by a Global Certificate or are in definitive form and held through Euroclear or Clearstream, Luxembourg, then in order to exercise the option in this Condition 10(e) (*Capital Distributions of the Trust – Tangibility Event Put Option*), a Certificateholder must, within the Tangibility Event Put Period, give notice to a Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg in a form acceptable to the relevant clearing system from time to time (which shall, if acceptable to the relevant clearing system, be in the form of a duly completed Tangibility Event Put Option Notice in the form set out in the Agency Agreement and obtainable from any Paying Agent, the Registrar or any Transfer Agent) and, if this Certificate is represented by a Global Certificate, at the same time present or procure the presentation of the relevant Global Certificate to a Paying Agent for notation or entry in the Register accordingly.

Any Tangibility Event Put Option Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg by a holder of any Certificates pursuant to this Condition 10(e) (*Capital Distributions of the Trust – Tangibility Event Put Option*) shall be irrevocable except where, prior to the due date of redemption, a Dissolution Event has occurred and the Delegate has declared the Certificates due and payable pursuant to Condition 14 (*Dissolution Events*), in which event such holder, at its option, may elect by notice to the Trustee to withdraw the notice given pursuant to this Condition 10(e) (*Capital Distributions of the Trust – Tangibility Event Put Option*).

In these Conditions:

a "**Tangibility Event**" means if, at any time, the Tangibility Ratio falls to less than 33 per cent.;

"**Tangibility Event Put Option Date**" means the first Business Day falling 75 days following the expiry of the Tangibility Event Put Period;

"**Tangibility Event Put Period**" means a period of 30 days commencing on the date that a Tangibility Event Notice is given;

"**Tangibility Event Trustee Notice**" has the meaning given to it in the Service Agency Agreement; and

"**Tangibility Ratio**" has the meaning given to it in the Service Agency Agreement.

For the avoidance of doubt, neither the Delegate nor any Agent will have any responsibility for monitoring or ensuring compliance with any such *Shari'a* principles of debt trading (such as the principle that debt is to be traded against tangible assets and/or eligible commodities on a spot settlement basis) referred to in paragraph (ii) above, nor shall it be liable to any Certificateholder or any other person in respect thereof.

(f) **Clean Up Call Right**

If 75 per cent. or more of the aggregate face amount of Certificates then outstanding have been redeemed and/or purchased and cancelled pursuant to this Condition 10 (*Capital Distributions of the Trust*) and/or Condition 13 (*Purchase and Cancellation of Certificates*), as the case may be, the Trustee shall, upon receipt of a duly completed Exercise Notice from the Bank in accordance with the Sale Undertaking, and on giving notice not less than the Minimum Notice Period nor more than the Maximum Notice Period to the Certificateholders in accordance with Condition 17 (*Notices*) (which notice

shall be irrevocable), redeem all (but not some only) of the Certificates at the relevant Dissolution Distribution Amount on the date specified in such notice (such dissolution date being a "**Clean Up Call Dissolution Date**"). Upon payment in full of the relevant Dissolution Distribution Amount to the Certificateholders, the Trustee shall be bound to dissolve the Trust.

(g) **Dissolution following a Dissolution Event**

Upon the occurrence of a Dissolution Event which is continuing, the Certificates may be redeemed at the Dissolution Distribution Amount on the Dissolution Event Redemption Date, if the conditions set out in Condition 14 (*Dissolution Events*) are satisfied, and the Trust will be dissolved by the Trustee.

(h) **No other Dissolution**

The Trustee shall not be entitled to redeem the Certificates, and the Trustee shall not be entitled to dissolve the Trust otherwise than as provided in this Condition 10 (*Capital Distributions of the Trust*), Condition 13 (*Purchase and Cancellation of Certificates*) and Condition 14 (*Dissolution Events*).

(i) **Effect of payment in full of Dissolution Amount**

Upon payment in full of all amounts due and payable in respect of the Certificates of any Series and the dissolution of the Trust as provided for in this Condition 10 (*Capital Distributions of the Trust*) or Condition 14 (*Dissolution Events*) (as applicable), such Certificates shall cease to represent interests in the relevant Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

11. **TAXATION**

All payments in respect of the Certificates shall be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature, imposed, levied, collected, withheld or assessed by or on behalf of any Relevant Jurisdiction ("**Taxes**"), unless the withholding or deduction of the Taxes is required by law. In such event, the Trustee will pay additional amounts as shall be necessary in order that the net amounts received by the Certificateholder after such withholding or deduction shall equal the respective amounts due and payable to any Certificateholder which would have otherwise been receivable in the absence of such withholding or deduction, except that no such additional amount shall be payable in relation to any payment in respect of any Certificate presented for payment (where presentation is required):

- (a) by or on behalf of a Certificateholder who is liable for such Taxes in respect of such Certificate by reason of having some connection with a Relevant Jurisdiction other than the mere holding of such Certificate;
- (b) if the payment could have been made without such deduction or withholding if the beneficiary of the payment had presented the Certificate for payment less than 30 days after the Relevant Date except to the extent that the Certificateholder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day;
- (c) with respect to any estate, inheritance, gift, sales, excise, transfer, personal property tax or similar tax, assessment or governmental charge;
- (d) with respect to any payments to a Certificateholder who is a fiduciary or partnership or any person other than the sole beneficial owner of such payment, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such a partnership or the beneficial owner of such payment would not have been entitled to the additional amounts had such beneficiary, settlor, member or beneficial owner been the actual holder of such Certificate;

- (e) to, or to a third party on behalf of, a Certificateholder who would not be liable or subject to the withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or
- (f) with respect to any combination of any of the foregoing.

In these Conditions:

"Relevant Date" means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the relevant Paying Agent or the Trustee or the Registrar on or before the due date, it means the date on which the full amount of the money having been so received, notice to that effect shall have been duly given to Certificateholders by the Trustee in accordance with Condition 17 (*Notices*); and

"Relevant Jurisdiction" means the Cayman Islands and the United Arab Emirates or any Emirate therein or, in either case, any political subdivision or authority thereof or therein having the power to tax.

The Transaction Documents provide that payments thereunder by the Bank shall be made without any withholding or deduction for, or on account of, any present or future taxes, unless such withholding or deduction is required by law and, in such case, provide for the payment by the Bank of all additional amounts as will result in the receipt by the Trustee of such net amount as would have been receivable by it if no withholding or deduction had been made.

Further, in accordance with the Master Declaration of Trust, the Bank has unconditionally and irrevocably undertaken to (irrespective of the payment of any fee), as a continuing obligation, in the event that the Trustee fails to comply with any obligation to pay additional amounts pursuant to this Condition 11 (Taxation), pay to or to the order of the Delegate (for the benefit of the Certificateholders) such net amounts as are necessary so that the amount receivable by the Delegate (after any withholding or deduction for or an account of Taxes) equals any and all additional amounts, required to be paid by it in respect of the Certificates pursuant to Condition 11 (Taxation).

If the Trustee or the Bank becomes subject to any taxing jurisdiction other than the Cayman Islands, the United Arab Emirates, or any Emirate therein, references in these Conditions to the Cayman Islands, United Arab Emirates, or any Emirate therein, shall be construed as references to the Cayman Islands, the United Arab Emirates, or any Emirate therein, and/or such other jurisdiction, as the case may be.

12. **PRESCRIPTION**

The right to receive distributions in respect of the Certificates will be forfeited unless claimed within a period of ten years (in the case of the Dissolution Amount) and five years (in the case of Periodic Distribution Amounts) from the Relevant Date in respect thereof.

13. **PURCHASE AND CANCELLATION OF CERTIFICATES**

(a) **Purchases**

The Bank and/or any Subsidiary may at any time purchase Certificates at any price in the open market or otherwise at any price. Such Certificates may be held, re-sold or, at the option of the Bank, surrendered to the Registrar for cancellation in accordance with Condition 13(b) (*Purchase and Cancellation of Certificates – Cancellation of Certificates held by the Bank and/or any of its Subsidiaries*).

(b) **Cancellation of Certificates held by the Bank and/or any of its Subsidiaries**

If the Bank wishes to cancel any of the Certificates purchased by it and/or any Subsidiary pursuant to Condition 13(a) (*Purchase and Cancellation of Certificates – Purchases*), the Bank shall deliver a Cancellation Notice to the Trustee in accordance with the terms of the Master Declaration of Trust and require the Trustee to cancel such Certificates.

(c) **Dissolution of the Trust upon cancellation of all outstanding Certificates in a Series**

In the event the Bank and/or any of its Subsidiaries purchase all the outstanding Certificates in a Series pursuant to this Condition 13 (*Purchase and Cancellation of Certificates*) and all such Certificates are subsequently cancelled by the Trustee, the relevant Trust will be dissolved by the Trustee and such Certificates shall cease to represent interests in the relevant Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

14. **DISSOLUTION EVENTS**

If, upon the occurrence of any of the following events (each a "**Dissolution Event**"):

- (a) default is made in the payment of the relevant Dissolution Amount on the date fixed for payment thereof or default is made in the payment of any Periodic Distribution Amount on the due date for payment thereof and, in the case of the Dissolution Amount, such default continues unremedied for a period of seven days and, in the case of a Periodic Distribution Amount, such default continues unremedied for a period of 14 days; or
- (b) the Trustee defaults in the performance of any of its other obligations under the Transaction Documents to which it is a party and (except in any case where the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) such default shall continue for more than 30 days after written notice of such default shall have been given to the Trustee by the Delegate; or
- (c) a Bank Event occurs; or
- (d) the Trustee repudiates any Transaction Document to which it is a party or does or causes to be done any act or thing evidencing an intention to repudiate any Transaction Document to which it is a party; or
- (e) at any time it is or will become unlawful or impossible for the Trustee (by way of insolvency or otherwise) to perform or comply with any or all of its obligations under the Transaction Documents or any of the obligations of the Trustee under the Transaction Documents are not or cease to be legal, valid, binding and enforceable; or
- (f) either: (i) the Trustee becomes insolvent or is unable to pay its debts as they fall due; (ii) an administrator or liquidator of the whole or substantially the whole of the undertaking, assets and revenues of the Trustee is appointed (or application for any such appointment is made); (iii) the Trustee takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it; or (iv) the Trustee ceases or threatens to cease to carry on all or substantially the whole of its business; or
- (g) an order or decree is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Trustee; or
- (h) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in paragraphs (f) and (g) above,

provided however that in the case of the occurrence of any of the events described in paragraphs (b) and (e) above, the Delegate shall have certified in writing to the Bank that such event is, in its opinion, materially prejudicial to the interests of the holders of the Certificates, the Delegate shall (subject to it being indemnified and/or secured and/or prefunded to its satisfaction), subject to it having been notified in writing of the occurrence of such Dissolution Event, give notice in writing of the occurrence of such Dissolution Event to the Certificateholders in accordance with Condition 17 (*Notices*) with a request to such holders to indicate if they wish the Certificates to be redeemed and the Trust to be dissolved. If so requested in writing by the holders of at least 25 per cent. of the then aggregate face amount of the Series outstanding or if so directed by an Extraordinary Resolution of the Certificateholders (a "**Dissolution Request**") it shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction) give notice to the Trustee,

the Bank and the Certificateholders in accordance with Condition 17 (*Notices*) of the Dissolution Request whereupon the Certificates shall be immediately redeemed at the relevant Dissolution Distribution Amount on the date specified in such notice (the "**Dissolution Event Redemption Date**") and the Trust shall be dissolved by the Trustee on the day after the last outstanding Certificate has been redeemed.

Upon payment in full of such amounts and dissolution of the Trust as aforesaid, the Certificates shall cease to represent undivided ownership interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

For the purposes of this Condition, a "**Bank Event**" will occur if one or more of the following events occurs:

- (a) the Bank (acting in any capacity) fails to pay any amount in the nature of principal (corresponding to the relevant Dissolution Amount payable by the Trustee under the Certificates) payable by it pursuant to any Transaction Document on the due date for payment thereof and such failure has continued for a period of seven days, or fails to pay any amount in the nature of profit (corresponding to the Periodic Distribution Amounts payable by the Trustee under the Certificates) payable by it pursuant to any Transaction Document on the due date for payment thereof and such failure has continued for a period of 14 days; or
- (b) the Bank, acting in any capacity, defaults in the performance of any of its other obligations in relation to the Certificates under the Transaction Documents to which it is a party (other than its obligations as set out in clause 3.1(c) of the Service Agency Agreement (save for the delivery of the Tangibility Event Trustee Notice) and (except in any case where the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) such default shall continue for more than 30 days after written notice requiring such default to be remedied shall have been given to the Bank by the Delegate (acting on behalf of the Trustee); or
- (c) any payment obligation under Indebtedness of the Bank or any Material Subsidiary becomes due and repayable prior to its stated maturity or the Bank or any Material Subsidiary fails to make any payment in respect of any Indebtedness within 30 days of the due date for payment (or within the applicable grace period, if such period is longer than 30 days) or any security given by the Bank or any Material Subsidiary for any Indebtedness becomes enforceable or if default is made by the Bank or any Material Subsidiary in making any payment due under any guarantee and/or indemnity given by it in relation to any obligation of any other person for 30 days (or within the applicable grace period if such period is longer than 30 days (save where such default is being actively contested in good faith by the Bank or any Material Subsidiary)), **provided that** no such event shall constitute a Bank Event unless the Indebtedness or other relative liability either alone or when aggregated with other Indebtedness and/or liabilities relative to all (if any) other events which shall have occurred and be outstanding shall amount to at least U.S.\$20,000,000 (or its equivalent in any other currency);
- (d) the Bank or any Material Subsidiary takes any corporate action or other steps are taken or legal proceedings are started for its winding up, dissolution, administration or reorganisation (whether by way of voluntary arrangement, scheme of arrangement or otherwise) or for the appointment of a liquidator, receiver, administrator, administrative receiver, conservator, custodian, trustee or similar officer of it or of any substantial part or all of its revenues and assets and such proceedings are not frivolous or vexatious or are not being actively contested in good faith by the Bank or, as the case may be, such Material Subsidiary save, in the case of the Bank, for the purposes of reorganisation on terms approved by an Extraordinary Resolution or, in the case of a Material Subsidiary: (i) for the purposes of a solvent consolidation, amalgamation or restructuring, pursuant to which some or all the assets of such Material Subsidiary are transferred to any one or more members of the Group; or (ii) for the purposes of reorganisation on terms previously approved by an Extraordinary Resolution **provided that** a *bona fide* disposal for full value on an arm's-length basis of the whole or a substantial part of the business of the Bank or a

Material Subsidiary shall not be deemed in any event to be a Bank Event for the purposes of this sub paragraph ((d));

- (e) if the Bank ceases to carry on the whole or a part of its business representing at least 15 per cent. of the property, undertaking or assets of the Bank (calculated by reference to the latest audited consolidated financial statements of the Bank), save for the purposes of reorganisation on terms previously approved by an Extraordinary Resolution **provided that** a bona fide disposal for full value on an arm's-length basis of the whole or a substantial part of the business of the Bank shall not be deemed in any event to be a Bank Event for the purposes of this sub paragraph ((e));
- (f) the Bank is unable to pay its debts as they fall due, commences negotiations with its creditors as a whole or any one or more classes of its creditors with a view to the general readjustment or rescheduling of its indebtedness or makes a general assignment for the benefit of or a composition with its creditors; or
- (g) any execution or distress is levied against, or an encumbrancer takes possession of the whole or 15 per cent. or more of the property, undertaking or assets of the Bank (calculated by reference to the latest audited consolidated financial statements of the Bank) or any event occurs which under the laws of any jurisdiction has a similar or analogous effect, unless such enforcement proceedings are frivolous or vexatious or are being actively contested in good faith by the Bank; or
- (h) the Bank or any Material Subsidiary fails to comply with or pay any sum which amount shall not be less than U.S.\$10,000,000 due from it under any final non appealable judgment or any final non appealable order made or given by any court of competent jurisdiction and such failure continues for a period of 30 days next following the service by the Delegate on the Bank of notice requiring the same to be paid/remedied; or
- (i) by or under the authority of any government, (i) the management of the Bank or any Material Subsidiary is wholly or partially displaced or the authority of the Bank or any Material Subsidiary in the conduct of its business is wholly or partially curtailed or (ii) all or a majority of the issued shares of the Bank or any Material Subsidiary or the whole or any part (the book value of which is 20 per cent. or more of the book value of the whole) of its revenues or assets is seized, nationalised, expropriated or compulsorily acquired; or
- (j) if at any time it is or becomes unlawful for the Bank to perform or comply with any or all of its obligations under or in respect of the Transaction Documents or any of the material obligations of the Bank thereunder are not or cease to be legal, valid, binding and enforceable; or
- (k) if any event occurs which is analogous to any of the events in the foregoing paragraphs ((d)) to ((g)) or paragraph ((i)) above,

provided however that in the case of the occurrence of any of the events described in paragraphs (b) or (j) or (in respect of a Material Subsidiary only) (d), (h) and (i), the Delegate shall have certified in writing to the Bank that such event is, in its opinion, materially prejudicial to the interests of the holders of the Certificates.

For the purposes of these Conditions:

A "**holding company**" of a company or corporation shall be construed as a reference to any company or corporation of which the first mentioned company or corporation is a Subsidiary.

The "**winding up**", "**dissolution**" or "**administration**" of a company or corporation shall be construed so as to include any equivalent or analogous proceedings under the law of the jurisdiction in which such company or corporation is incorporated or any jurisdiction in which such company or corporation carries on business including the seeking of liquidation, winding up, reorganisation, dissolution, administration, arrangement, adjustment, protection or relief of debtors.

15. **ENFORCEMENT AND EXERCISE OF RIGHTS**

- (a) Upon the occurrence of a Dissolution Event, to the extent any amount payable in respect of the Certificates has not been paid in full, the Trustee (or the Delegate, acting on behalf of the Trustee), (subject, in each case, to it being indemnified and/or secured and/or prefunded to its satisfaction), may (acting for the benefit of the Certificateholders) take one or more of the following steps:
 - (i) enforce the Bank's obligations under the Transaction Documents to which the Bank is a party; and/or
 - (ii) take such other steps as the Trustee or the Delegate (acting in the name and on behalf of the Trustee) may consider necessary to recover amounts due to the Certificateholders.
- (b) Following the enforcement, realisation of the Certificates and ultimate distribution of the net proceeds of the relevant Trust Assets in respect of the Certificates to the Certificateholders in accordance with these Conditions and the Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust, the obligations of the Trustee in respect of the Certificates shall be satisfied and the right of the Certificateholders to receive any further sums shall be extinguished and neither the Trustee nor the Delegate shall be liable for any such sums and, accordingly, Certificateholders may not take any action against the Trustee, the Delegate, the Agents or any other person (including the Bank) to recover any such sum or asset in respect of the relevant Certificates or the Trust Assets. In particular, no holder of the Certificates shall be entitled in respect thereof to petition or to take any other steps for the winding up of the Trustee.
- (c) No Certificateholder shall be entitled to proceed directly against the Trustee or the Bank under any Transaction Document to which either of them is a party unless the Delegate, having become so bound to proceed: (i) fails to do so within 30 days of becoming so bound; or (ii) is unable by reason of an order of a court having competent jurisdiction, and the failure or inability shall be continuing. Under no circumstances shall the Delegate or any Certificateholder have any right to cause the sale or other disposition of any of the relevant Trust Assets and the sole right of the Delegate and the Certificateholders against the Trustee and the Bank shall be to enforce their respective obligations under the Transaction Documents.
- (d) Subject to paragraph (b) above, neither the Trustee nor the Delegate shall be bound in any circumstances to take any action to enforce or to realise the relevant Trust Assets or take any action against (as applicable) the Trustee and/or the Bank under any Transaction Document to which either of the Trustee or the Bank is a party unless directed or requested to do so: (i) by an Extraordinary Resolution; or (ii) in writing by the holders of at least 25 per cent. of the then outstanding aggregate face amount of the Certificates of the relevant Series and in either case then only if it is indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby render itself liable and **provided that** the Delegate shall not be held liable for the consequences of exercising its discretion or taking any such action and may do so without having regard to the effect of such action on individual Certificateholders.

16. **REPLACEMENT OF CERTIFICATES**

If any Definitive Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Registrar (and, if the Certificates are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Paying Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Trustee may reasonably require. Mutilated or defaced Definitive Certificates must be surrendered before replacements will be issued.

17. **NOTICES**

Save as provided in this Condition 17 (*Notices*) all notices regarding the Certificates will be in the English language and will be deemed to be validly given if published in a leading English language daily newspaper published in London which is expected to be the Financial Times, or if such publication is not practicable, in a leading English language newspaper having general circulation in Europe. The Trustee shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Certificates are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

Until such time as any Definitive Certificates are issued, there may, so long as the Global Certificate representing the Certificates is held in its entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Certificates. Any such notice shall be deemed to have been given to the holders of the Certificates on the day on which the said notice was given to Euroclear and Clearstream, Luxembourg.

Notices to be given by any Certificateholder shall be in writing and given by lodging the same, together with the relevant Certificate or Certificates, with the Principal Paying Agent, in accordance with the rules and procedures of Euroclear, Clearstream, Luxembourg and/or any other relevant clearing system, as applicable.

18. **MEETINGS OF CERTIFICATEHOLDERS, MODIFICATION, WAIVER, AUTHORISATION AND DETERMINATION**

- (a) The Master Declaration of Trust contains provisions for convening meetings (including by way of conference call or by use of videoconference platform) of Certificateholders to consider any matter affecting their interests, including the modification or abrogation by Extraordinary Resolution of these Conditions or the provisions of the Master Declaration of Trust or any other Transaction Document. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Trustee and shall be convened by it upon the request in writing of Certificateholders holding not less than 10 per cent. of the aggregate face amount of the Certificates of a Series. The quorum at any meeting for passing an Extraordinary Resolution will be two or more Certificateholders, proxies or representatives holding or representing in the aggregate more than 50 per cent. of the then outstanding aggregate face amount of the Certificates (or, in the case of a Meeting called in respect of more than one Series, the then outstanding aggregate face amount of the Certificates of all the relevant Series) or at any adjourned such meeting one or more Certificateholders, proxies or representatives (whatever the outstanding face amount of the Certificates of all the relevant Series held or represented by him/ her or them), **provided however that** any meeting the business of which includes the modification of certain provisions of the Certificates (including, among others, modifying the relevant Scheduled Dissolution Date, reducing or cancelling any amount payable in respect of the Certificates, altering the currency of payment of the Certificates or amending any of the Bank's covenants to make a payment under any Transaction Document) ("**Reserved Matters**", as further described in the Master Declaration of Trust), the quorum shall be one or more Certificateholders, proxies or representatives holding or representing in the aggregate at least 75 per cent. of the then aggregate outstanding face amount of the Series (or, in the case of a meeting called in respect of more than one Series, the then outstanding aggregate face amount of the Certificates of all the relevant Series) or at any adjourned such meeting one or more Certificateholders, proxies or representatives holding or representing not less than 25 per cent. of the then aggregate outstanding face amount of the Series (or, in the case of a meeting called in respect of more than one Series, the then outstanding aggregate face amount of the Certificates of all the relevant Series). To be passed, an Extraordinary Resolution requires a majority in favour consisting of not less than 75 per cent. of the

persons voting on a show of hands or, if a poll is duly demanded, a majority of not less than 75 per cent. of the votes cast on such poll and, if duly passed, will be binding on all Certificateholders, whether or not they are present at the meeting and whether or not voting.

- (b) The Master Declaration of Trust provides that a resolution in writing signed by or on behalf of all the holders of the Certificates outstanding who for the time being are entitled to receive notice of a meeting in accordance with schedule 4 to the Master Declaration of Trust shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Certificateholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Certificateholders.
- (c) The Master Declaration of Trust, any Supplemental Declaration of Trust, any other Transaction Document and the Trustee's memorandum and articles of association may only be amended by the Trustee with the consent of the Delegate and the Delegate may agree, without the consent or sanction of the Certificateholders, to any modification of any of the Master Declaration of Trust, any Supplemental Declaration of Trust, any other Transaction Document or the Trustee's memorandum and articles of association if, in the opinion of the Delegate: (i) such modification is of a formal, minor or technical nature; (ii) such modification is made to correct a manifest error; or (iii) such modification is not materially prejudicial to the interests of the outstanding Certificateholders and is other than in respect of a Reserved Matter or any provisions of the Master Declaration of Trust referred to in the definition of a Reserved Matter. Any such modification may be made on such terms and subject to such conditions (if any) as the Delegate may determine, shall be binding on the Certificateholders and, unless the Delegate otherwise decides, shall be notified by the Trustee to the Certificateholders in accordance with Condition 17 (*Notices*) as soon as practicable thereafter.
- (d) The Delegate may, without the consent or sanction of the Certificateholders and without prejudice to its rights in respect of any subsequent breach from time to time and at any time: (i) give its consent under the Master Declaration of Trust, any Supplemental Declaration of Trust, any other Transaction Document or the Trustee's memorandum and articles of association and agree to waive or to authorise any breach or proposed breach of any provision of the Master Declaration of Trust, any Supplemental Declaration of Trust, any other Transaction Document or the Trustee's memorandum and articles of association; or (ii) determine that any Dissolution Event or Potential Dissolution Event shall not be treated as such, **provided that:** (A) in the opinion of the Delegate, such waiver, authorisation or determination is not materially prejudicial to the interests of the outstanding Certificateholders; and (B) the Delegate will not do so in contravention of an express direction given by Extraordinary Resolution or a request made pursuant to Condition 14 (*Dissolution Events*). No such direction or request will affect a previous waiver, authorisation or determination. Any such waiver, authorisation or determination shall be binding on the Certificateholders and unless the Delegate otherwise requires, shall be notified by the Trustee to the Certificateholders in accordance with Condition 17 (*Notices*) as soon as practicable thereafter.
- (e) In connection with the exercise by it of any of its powers, trusts, authorities and discretions under the Master Declaration of Trust (including, without limitation, any modification), the Delegate shall have regard to the general interests of the Certificateholders as a class (except where the context otherwise requires (as determined by the Delegate in its absolute discretion)) and shall not have regard to any interest arising from circumstances particular to individual Certificateholders (whatever their number) and, in particular, but without limitation, shall not have regard to the consequences of such exercise for individual Certificateholders (whatever their number) resulting from them being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political subdivision thereof or taxing jurisdiction and the Delegate shall not be entitled to require, nor shall any Certificateholder be entitled to claim from the Trustee, the Delegate, the Bank or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Certificateholders (except, in the case of the Trustee and the Bank, to the extent already provided for in Condition 11 (*Taxation*)).

19. **THE DELEGATE**

The Trustee has in the Master Declaration of Trust irrevocably and unconditionally appointed the Delegate to be its delegate and attorney and in its name, on its behalf and as its act and deed to execute, deliver and perfect all documents, and to exercise all of the present and future powers (including the power to sub-delegate), trusts, rights, authorities (including, but not limited to, the authority to request directions from any Certificateholders and the power to make any determinations to be made under the Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust) and discretions vested in the Trustee by the Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust, that the Delegate may consider to be necessary or desirable in order, and subject to it being indemnified and/or secured and/or pre-funded to its satisfaction, to exercise all of the rights of the Trustee under any of the Transaction Documents and make such distributions from the relevant Trust Assets as the Trustee is bound to make in accordance with the Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust, (together the "**Delegation**" of the "**Relevant Powers**"), **provided that** in no circumstances will such Delegation result in the Delegate holding on trust or otherwise managing the relevant Trust Assets and **provided further that** such Delegation and the Relevant Powers shall not include any obligation, duty, liability or covenant of the Trustee pursuant to the Master Declaration of Trust or any other Transaction Document or any duty, power, trust, authority or discretion to dissolve the trusts constituted by the Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust following the occurrence of a Dissolution Event or Potential Dissolution Event or to determine the remuneration of the Delegate. The Trustee shall ratify and confirm all things done and all documents executed by the Delegate in the exercise of all or any of the Relevant Powers.

In addition to the Delegation of the Relevant Powers under the Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust, the Delegate also has certain powers which are vested solely in it from the date of the Master Declaration of Trust.

The appointment of a delegate by the Trustee is intended to be in the interests of the Certificateholders and does not affect the Trustee's continuing role and obligations as sole trustee.

The Master Declaration of Trust contains provisions for the indemnification of the Delegate in certain circumstances and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction. In particular, in connection with the exercise of any of its rights in respect of the relevant Trust Assets or any other right it may have pursuant to the Master Declaration of Trust, the Delegate shall in no circumstances be bound to take any action unless directed to do so in accordance with Condition 15 (*Enforcement and Exercise of Rights*), and then only if it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

The Delegate makes no representation and assumes no responsibility for the validity, sufficiency or enforceability of the obligations of the Bank under the Transaction Documents to which it is a party and shall not under any circumstances have any liability or be obliged to account to Certificateholders in respect of any payments which should have been paid by the Bank but are not so paid and shall not in any circumstances have any liability arising from the relevant Trust Assets other than as expressly provided in these Conditions or in the Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust.

The Delegate may rely without liability to Certificateholders on a report, confirmation, certificate or any advice of any accountants, financial advisers, financial institution, auditors, insolvency officials or any other expert (whether or not addressed to the Delegate and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Delegate or any other person or in any other manner) by reference to a monetary cap, methodology or otherwise) in accordance with or for the purposes of the Master Declaration of Trust or the other relevant Transaction Documents. The Delegate may accept and shall be entitled to rely on any such report, confirmation or certificate or advice as sufficient evidence of the facts stated therein and such report, confirmation, certificate or advice shall be binding on the Trustee, the Delegate and the Certificateholders. The Delegate shall not be bound in any such case to call for further evidence or be responsible for any liability or inconvenience that may be occasioned by its failure to do so.

Each of the Trustee and the Delegate is exempted from: (a) any liability in respect of any loss or theft of the Trust Assets or any cash; (b) any obligation to insure the Trust Assets (other than, with respect to the Trustee, in accordance with the Transaction Documents) or any cash; and (c) any claim arising from the fact that the Trust Assets or any cash are held by or on behalf of the Trustee or on deposit or in an account with any depository or clearing system or are registered in the name of the Trustee or its nominee, unless such loss or theft arises as a result of the Trustee's or the Delegate's own gross negligence, wilful misconduct or fraud, as the case may be.

Nothing shall, in any case where the Trustee or the Delegate has failed to show the degree of care and diligence required of it as trustee, in the case of the Trustee (having regard to the provisions of the Master Declaration of Trust conferring on it any trusts, powers, authorities or discretions) or as donee and delegate, in the case of the Delegate (having regard to the powers, authorities and discretions conferred on it by the Master Declaration of Trust and to the Relevant Powers delegated to it), respectively exempt the Trustee or the Delegate from or indemnify either of them against any liability for gross negligence, wilful misconduct or fraud of which it may be guilty in relation to their duties under the Master Declaration of Trust.

20. **FURTHER ISSUES**

In respect of any Series, the Trustee may from time to time (but subject always to the provisions of the Master Declaration of Trust) without the consent of the Certificateholders create and issue additional Certificates having the same terms and conditions as the outstanding Certificates of such Series or terms and conditions which are the same in all respects save for the date and amount of the first payment of the Periodic Distribution Amount and the date from which Periodic Distribution Amounts start to accrue, and so that the same shall be consolidated and form a single Series with the outstanding Certificates of such Series. Any additional Certificates which are to form a single Series with the outstanding Certificates of a particular Series shall be constituted by a deed supplemental to the Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust. References in these Conditions to the Certificates include (unless the context requires otherwise) any other Certificates issued pursuant to this Condition and forming a single Series with such Certificates.

21. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of these Conditions, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

22. **GOVERNING LAW AND DISPUTE RESOLUTION**

(a) **Governing law**

The Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust (including these Conditions), and the Certificates and any non-contractual obligations arising out of or in connection with the same (including the remaining provisions of this Condition 22 (*Governing Law and Dispute Resolution*)) are and shall be governed by, and construed in accordance with, English law.

(b) **Agreement to arbitrate**

Subject to Condition 22(c) (*Governing Law and Dispute Resolution – Option to litigate*), any dispute, claim, difference or controversy arising out, relating to or having any connection with the Master Declaration of Trust and/or the Certificates (including any dispute as to the existence, validity, interpretation, performance, breach or termination or the consequences of any nullity thereof and any dispute, claim, difference or controversy relating to any non-contractual obligations arising out of or in connection with them) (a "**Dispute**") shall be referred to and finally resolved by arbitration under the London Court of International Arbitration ("**LCIA**") Arbitration Rules (the "**Rules**"), which Rules (as amended from time to time) are incorporated by reference into this Condition 22 (*Governing Law and Dispute Resolution*). For these purposes:

- (i) the seat or legal place of arbitration shall be London;

- (ii) the language of the arbitration shall be English; and
- (iii) there shall be three arbitrators, each of whom shall be disinterested in the arbitration, shall have no connection with any party thereto and shall be an attorney experienced in international securities transactions.

(c) **Option to litigate**

Notwithstanding Condition 22(b) (*Governing Law and Dispute Resolution – Agreement to arbitrate*), the Delegate or, but only where it is permitted to take action in accordance with the terms of the Master Declaration of Trust, any Certificateholder, may, in the alternative and at its sole discretion, by notice in writing to the Trustee and the Bank:

- (i) within 28 days of service of a Request for Arbitration (as defined in the Rules); or
- (ii) in the event no arbitration is commenced,

require that a Dispute be heard by a court of law. If such notice is given, the Dispute to which such notice refers shall be determined in accordance with Condition 22(d) (*Governing Law and Dispute Resolution – Effect of exercise of option to litigate*) and subject as provided below, any arbitration commenced under Condition 22(d) (*Governing Law and Dispute Resolution – Effect of exercise of option to litigate*) in respect of that Dispute will be terminated. Each of the parties to the terminated arbitration (other than the Delegate whose costs will be borne by the Bank) will bear its own costs in relation to the terminated arbitration.

If any notice to exercise the option to litigate is given after service of any Request for Arbitration in respect of any Dispute, the Delegate or, but only where it is permitted to take action in accordance with the terms of the Master Declaration of Trust, any Certificateholder, as the case may be, must also promptly give notice to the LCIA Court and to any Tribunal (each as defined in the Rules) already appointed in relation to the Dispute that such Dispute will be settled by the courts. Upon receipt of such notice by the LCIA Court, the arbitration and any appointment of any arbitrator in relation to such Dispute will immediately terminate. Any such arbitrator will be deemed to be *functus officio*. The termination is without prejudice to:

- (i) the validity of any act done or order made by that arbitrator or by the court in support of that arbitration before his appointment is terminated;
- (ii) such arbitrator's entitlement to be paid his proper fees and disbursements; and
- (iii) the date when any claim or defence was raised for the purpose of applying any limitation bar or any similar rule or provision.

(d) **Effect of exercise of option to litigate**

In the event that a notice pursuant to Condition 22(c) (*Governing Law and Dispute Resolution – Option to litigate*) is issued, the following provisions shall apply:

- (i) subject to paragraph (iii) below, the courts of England or the courts of the Dubai International Financial Centre ("**DIFC**"), at the option of the Delegate or, but only where it is permitted to take action in accordance with the terms of the Master Declaration of Trust, any Certificateholder, shall have exclusive jurisdiction to settle any Dispute and the Trustee submits to the exclusive jurisdiction of such courts;
- (ii) the Trustee agrees that the courts of either England or the DIFC, at the option of the Delegate or any Certificateholder, as the case may be, are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary; and

(iii) this Condition 22(d) (*Governing Law and Dispute Resolution – Effect of exercise of option to litigate*) is for the benefit of the Delegate and the Certificateholders only. As a result, and notwithstanding paragraphs (i) and (ii) above, the Delegate or, but only where it is permitted to take action in accordance with the terms of the Master Declaration of Trust, any Certificateholder, may take proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, the Delegate or, but only where it is permitted to take action in accordance with the terms of the Master Declaration of Trust, any Certificateholder may take concurrent Proceedings in any number of jurisdictions.

(e) **Process agent**

The Trustee agrees that the documents which start any Proceedings and any other documents required to be served in relation to the London branch of the Bank at Mashreqbank psc, London Branch at 3rd Floor, 48-54 Moorgate, London EC2R 6EJ, United Kingdom or at any other address for the time being at which process may be served on it in accordance with Section 1139 of the Companies Act 2006 (as modified or re-enacted from time to time). If the Bank ceases to have a London branch which can accept service of process on the Trustee's behalf, the Delegate shall be entitled to appoint such a person by written notice addressed to the Trustee and delivered to the Trustee or to the Specified Office of the Principal Paying Agent. Nothing in this Condition shall affect the right of any party to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.

(f) **Waiver of Immunity**

Under the Declaration of Trust, the Bank has irrevocably agreed that, should any Proceedings or Disputes be taken anywhere (whether for any injunction, specified performance, damages or otherwise), no immunity (to the extent that it may at any time exist, whether on the grounds of sovereignty or otherwise) of its assets or from execution of judgment shall be claimed by it or on its behalf or with respect to its assets, any such immunity being irrevocably waived. The Bank has irrevocably agreed that it and its assets are, and shall be, subject to such Proceedings or Disputes, attachment or execution in respect of its obligations under these Conditions and the Transaction Documents.

(g) **Consent to Enforcement**

Under the Declaration of Trust, each of the Bank and the Trustee has irrevocably and generally consented in respect of any Proceedings or Disputes anywhere to the giving of any relief or the issue of any process in connection with those Proceedings or Disputes including, without limitation, the making, enforcement or execution against any assets whatsoever (irrespective of their use or intended use) of any order or judgment which may be made or given in those Proceedings or Disputes.

(h) **Waiver of Interest**

(i) Each of the Trustee, the Bank and the Delegate has in the Declaration of Trust agreed that if any Proceedings are brought by or on behalf of any party under the Declaration of Trust, it will not claim interest under, or in connection with, such Proceedings; and to the fullest extent permitted by law, waive all and any entitlement it may have to interest awarded in its favour by any court as a result of such Proceedings.

(ii) For the avoidance of doubt, nothing in Condition 22(h)(i) (*Waiver of Interest*) shall be construed as a waiver of rights in respect of any Sukuk Portfolio Revenues, Required Amounts, Periodic Distribution Amounts, Dissolution Amounts, Exercise Price, Certificateholder Put Option Exercise Price, Tangibility Event Exercise Price, Optional Dissolution Exercise Price, Murabaha Profit Instalments, Murabaha Profit, Deferred Sale Price or profit or principal of any kind howsoever described payable by the Trustee (in any capacity) or the Bank (in any capacity) pursuant to the Transaction Documents and/or the Conditions or

any other document or agreement, howsoever such amounts may be described or re- characterised by any court or arbitral tribunal.

FORM OF THE CERTIFICATES

The Certificates of each Series will be in registered form. Certificates will be issued outside the United States in reliance on Regulation S under the Securities Act.

Global Certificates

Each Tranche of Certificates will initially be represented by a global trust certificate in registered form (a "**Global Certificate**"). Global Certificates will be deposited with a common depository (the "**Common Depository**") for Euroclear and Clearstream, Luxembourg and will be registered in the name of a nominee for the Common Depository. Persons holding beneficial interests in Global Certificates will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Certificates in fully registered form.

Payments to registered Holder

Payments of any amount in respect of the Global Certificates will, in the absence of provision to the contrary, be made to the person shown in the Register as the registered Holder of the Certificates represented by a Global Certificate at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**Record Date**") where the "**Clearing System Business Day**" means a day on which each clearing system for which the Global Certificate is being held is open for business. None of the Trustee, the Delegate, the Bank, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of ownership interests in the Global Certificates or for maintaining, supervising or reviewing any records relating to such ownership interests.

Payment of any amounts in respect of Certificates in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 9(a) (*Payment – Payments in respect of Certificates*)) immediately preceding the due date for payment in the manner provided in that Condition.

Exchange for definitives

Interests in a Global Certificate will be exchangeable (free of charge), in whole but not in part, for Definitive Certificates of a particular Series only upon the occurrence of an Exchange Event. The Trustee will promptly give notice to Certificateholders in accordance with Condition 17 (*Notices*) if an Exchange Event occurs. For these purposes, an "**Exchange Event**" will occur if: (a) the Trustee has been notified that both Euroclear and Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business and no successor clearing system is available; or (b) any of the circumstances described in Condition 14 (*Dissolution Events*) occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg or any other person acting on their behalf, as the case may be, (acting on the instructions of any holder of an interest in such Global Certificate) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described above, the Trustee may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

For so long as any Certificate is represented by a Global Certificate held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular face amount of such Certificate (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the face amount of such Certificate standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated as the holder of such face amount of such Certificate for all purposes other than with respect to any payment on such face amount of such Certificate, for which purpose the registered holder of the relevant Global Certificate shall be treated by the Trustee and their respective agents as the holder of such face amount of such Certificate in accordance with and subject to the terms of the relevant Global Certificate and the expressions "**Certificateholder**" and "**holder of Certificates**" and related expressions shall be construed accordingly.

Pursuant to the Agency Agreement, the Principal Paying Agent shall arrange that, where a further Tranche is issued which is intended to form a single Series with an existing Tranche at a point after the Issue Date of the further Tranche, the Certificates of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Certificates of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system.

APPLICABLE FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Certificates issued under the Programme.

[MiFID II product governance / professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Certificates has led to the conclusion that: (i) the target market for the Certificates is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Certificates to eligible counterparties and professional clients are appropriate. [*Consider any negative target market.*] Any person subsequently offering, selling or recommending the Certificates (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Certificates (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[UK MiFIR product governance / professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Certificates has led to the conclusion that: (i) the target market for the Certificates is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Certificates to eligible counterparties and professional clients are appropriate. [*Consider any negative target market.*] Any [person subsequently offering, selling or recommending the Certificates (a "**distributor**")]/[distributor] should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Certificates (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**") – [*Notice to be included if classification of the Certificates is not "prescribed capital markets products", pursuant to Section 309B of the SFA.*]

Final Terms dated [Date]

Mashreq Al Islami Sukuk Company Ltd.

Legal entity identifier (LEI): 254900AIOT8L0TZT5O08

Issue of [Aggregate Face Amount of Tranche] [Title of Certificates] [to be consolidated and form a single series with the existing [Aggregate Face Amount of Tranche] [Title of Certificates] issued on [•] (the "Original Certificates")]

under the U.S.\$2,500,000,000

Trust Certificate Issuance Programme

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 18 July 2024 [and the supplement[s] to the Base Prospectus dated [•]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Regulation. This document constitutes the Final Terms relating to the issue of Certificates described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus, in order to obtain all the relevant information. The Base Prospectus is available for viewing on the website of the Irish Stock Exchange, trading as Euronext Dublin ("**Euronext Dublin**") (<https://live.euronext.com/>).]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus dated [original date] [and the supplement to the Base Prospectus dated [•]] which are incorporated by reference in the Base Prospectus dated [•]. This document constitutes the Final Terms relating to the issue of the Certificates described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus dated 18 July 2024 [and

the supplement[s] to the Base Prospectus dated [•] which [together] constitute[s] a base prospectus (the "**Base Prospectus**"), including the Conditions incorporated by reference in the Base Prospectus, in order to obtain all the relevant information. The Base Prospectus is available for viewing on the website of the Irish Stock Exchange, trading as Euronext Dublin ("**Euronext Dublin**") (<https://live.euronext.com/>).

The expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129.

1. (i) Trustee: Mashreq Al Islami Sukuk Company Ltd.
- (ii) Bank: Mashreqbank psc
2. (i) Series Number: [•]
- (ii) Tranche Number: [•]
- (iii) Date on which the Certificates will be consolidated and form a single Series: [The Certificates will be consolidated and form a single Series with *[identify earlier Tranche(s)]* on *[insert date/the Issue Date]*/Not Applicable]
3. Specified Currency: [•]
4. Aggregate Face Amount:
 - (i) Series: [•]
 - (ii) Tranche: [•]
5. (i) Issue Price: [•] per cent. of the Aggregate Face Amount [plus *[Specified Currency]* [•] in respect of [•] days of accrued Periodic Distribution Amounts from (and including) *[the issue date of the Original Certificates]* to (but excluding) the Issue Date]
- (ii) Tangible Asset Percentage: [•]
- (iii) Intangible Asset Percentage: [•]
6. (i) Specified Denominations: [•]
- (ii) Calculation Amount: [•]
7. Issue Date: [•]
8. (i) Return Accrual Commencement Date: [•]/[Issue Date]
- (ii) Scheduled Dissolution Date: [•]
9. Periodic Distribution Amount Basis: [•] per cent. Fixed Periodic Distribution Amount
(see paragraph 14 below)
10. Dissolution Basis: Subject to any purchase and cancellation or early redemption, the Certificates will be redeemed at [100] per cent. of their Aggregate Face Amount
11. Put/Call Option: [Not Applicable] [Optional Dissolution Right] [Certificateholder Put Option]
12. Date of [Board] approval for issuance of Certificates obtained: [•] in the case of the Trustee
[•] in the case of the Bank

13. Status: Senior

PROVISIONS RELATING TO PERIODIC DISTRIBUTIONS PAYABLE

14. Periodic Distribution Provisions

- (i) Profit Rate[(s)]: [•] per cent. per annum [payable [annually/ semi-annually/ quarterly/ monthly] in arrear]
- (ii) Periodic Distribution Date(s): [•] [and [•]] in each year up to and including the Scheduled Dissolution Date
- (iii) Fixed Amount[(s)]: [•] per Calculation Amount
- (iv) Broken Amount(s): [[•] per Calculation Amount, payable on the Periodic Distribution Date falling [in]/[on] [•]/Not Applicable]
- (v) Day Count Fraction: [30/360/Actual/Actual (ICMA)]

PROVISIONS RELATING TO DISSOLUTION

- 15. Optional Dissolution Right: [Applicable/Not Applicable]
 - (i) Optional Dissolution Amount(s) : [Dissolution Distribution Amount/[•] per Calculation Amount]
 - (ii) Optional Dissolution Date(s): [•]
 - (iii) If redeemable in part:
 - (A) Minimum Optional Dissolution Amount: [•]
 - (B) Maximum Optional Dissolution Amount: [•]
 - (iv) Notice period: Minimum Notice Period: [•] days
Maximum Notice Period: [•] days
- 16. Certificateholder Put Option: [Applicable/Not Applicable]
 - (i) Certificateholder Put Option Dissolution Amount(s): [Dissolution Distribution Amount/[•] per Calculation Amount]
 - (ii) Certificateholder Put Option Date(s): [•]
 - (iii) Notice period: Minimum Notice Period: [•] days
Maximum Notice Period: [•] days
- 17. Tangibility Event Dissolution Amount: [Dissolution Distribution Amount/[•] per Calculation Amount]
- 18. Dissolution Distribution Amount: [•] per Calculation Amount

19. Early Dissolution Amount (Tax) [Dissolution Distribution Amount/[•] per Calculation (following early dissolution for tax reasons): Amount]
20. Notice period for early dissolution pursuant to Conditions 10(b) (*Capital Distributions of the Trust – Early Dissolution for Tax Reasons*) or 10(f) (*Capital Distributions of the Trust – Clean Up Call Right*): Minimum Notice Period: [•] days
Maximum Notice Period: [•] days

GENERAL PROVISIONS APPLICABLE TO THE CERTIFICATES

21. Form of Certificates: Registered Certificates
Global Certificate exchangeable for Certificates in definitive registered form in the limited circumstances specified in the Global Certificate
22. Additional Financial Centre(s) relating to payment: [Not Applicable]
23. Details of Transaction Account: Mashreq Al Islami Sukuk Company Ltd. Transaction Account No; [•] for Series No.: [•]

24. THIRD PARTY INFORMATION

[•] has been extracted from [•]. The Trustee and the Bank confirm that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [•], no facts have been omitted which would render the reproduced information inaccurate or misleading./Not Applicable.]

Signed on behalf of
MASHREQ AL ISLAMI SUKUK COMPANY LTD.

By:
Duly authorised

Signed on behalf of
MASHREQBANK PSC

By:
Duly authorised

PART B - OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing and admission to trading: [Application has been made by the Trustee (or on its behalf) for the Certificates to be admitted to the official list of Euronext Dublin and to trading on the Euronext Dublin's regulated market with effect from [•].] [Application is expected to be made by the Trustee (or on its behalf) for the Certificates to be admitted to the official list of Euronext Dublin and to trading on the Euronext Dublin's regulated market with effect from [•].]
- (ii) Estimate of total expenses related to admission to trading: [•]

2. RATINGS

Ratings: [The Certificates to be issued have not been rated/The Certificates to be issued [have been/are expected to be] rated:

[S&P Global Ratings Europe Limited ("**S&P**"):
[A]/[Not Applicable]]

[Fitch Ratings Limited ("**Fitch**"):
[•]/[Not Applicable]]

[Moody's Investors Service Cyprus Ltd.
("**Moody's**"):
[•]/[Not Applicable]]

[insert details] by [insert the legal name of the relevant credit rating agency entity(ies) and associated defined terms].]

(To include an explanation of the meaning of the ratings in relation to any rated Tranche)

[Each of Moody's and S&P is established in the EEA and registered under Regulation (EC) No 1060/2009, as amended (the "**EU CRA Regulation**"). As such, each of Moody's and S&P appears on the latest update of the list of registered credit rating agencies published on the on the ESMA website <http://www.esma.europa.eu>. [Moody's, and S&P] are not established in the UK or registered under Regulation (EC) No 1060/2009 on credit rating agencies as it forms part of domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**"). The rating that each of Moody's and S&P has given to the Certificates is endorsed by Moody's Investors Service Ltd. and S&P Global Ratings UK Limited, respectively, each of which is established in the UK and registered under the UK CRA Regulation. Fitch is established in the UK, is registered under the UK CRA Regulation and appears on the latest update of the list of registered credit rating agencies on the UK Financial Conduct Authority's Financial Services Register. Fitch is not established in the EEA or registered under the EU CRA Regulation. The rating

that Fitch has given to the Certificates to be issued under the Programme is endorsed by Fitch Ratings Ireland Limited which is established in the EEA and registered under the EU CRA Regulation.][*Insert legal name of particular credit rating agency entity providing rating*] has been certified under Regulation (EC) No 1060/2009, as amended (the "**EU CRA Regulation**").] [*Insert legal name of particular credit rating agency entity providing rating*] has not been certified under Regulation (EC) No 1060/2009, as amended (the "**EU CRA Regulation**") and the rating it has given to the Certificates is not endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation.]

3. **[INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]**

[Save for any fees payable to the [Managers/Dealers], so far as the Trustee and the Bank are aware, no person involved in the offer of the Certificates has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Bank and its affiliates in the ordinary course of business for which they may receive fees.]

4. **RATE**

[Indication of profit rate: [•]

The profit rate is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future profit or return.]

5. **USE OF PROCEEDS**

(i) Use of proceeds: [See "*Use of Proceeds*" in the Base Prospectus] / [•]

(ii) Estimated amount of net proceeds: [•]

6. **OPERATIONAL INFORMATION**

(i) ISIN: [[•]/Until the Certificates are consolidated, become fungible with and form a single series with the Original Certificates, the Certificates will have the temporary ISIN [•]. After that, the Certificates will have the same ISIN as the Original Certificates, which is [•]]

(ii) Common Code: [[•]/Until the Certificates are consolidated, become fungible with and form a single series with the Original Certificates, the Certificates will have the temporary Common Code [•]. After that, the Certificates will have the same Common Code as the Original Certificates, which is [•]]

(iii) CFI: [[See/*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]

- (iv) FISN: [[See/[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
- (v) Names and addresses of additional Paying Agent(s) or Calculation Agent (if any): [[•]/Not Applicable]
- (vi) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): [Not Applicable/[•]]
- (vii) Delivery: Delivery [against/free of] payment

7. **DISTRIBUTION**

- (i) Method of distribution: [Syndicated/Non-syndicated]
 - (A) If syndicated, names of Managers: [Not Applicable/[•]]
 - (B) Stabilisation Manager(s) (if any): [Not Applicable/[•]]
- (ii) If non-syndicated, name of relevant Dealer: [Not Applicable/[•]]
- (iii) If non-syndicated, relevant trade date: [Not Applicable/[•]]

APPLICABLE PRICING SUPPLEMENT

Set out below is the form of Pricing Supplement for use in connection with each Tranche of Exempt Certificates, whatever the denomination of those Certificates, issued by the Trustee under the Programme.

Pricing Supplement dated [•]

The Central Bank of Ireland has neither approved nor reviewed the information contained in this Pricing Supplement.

Mashreq Al Islami Sukuk Company Ltd.

Legal entity identifier (LEI): 254900AIOT8L0TZT5O08

Issue of [Aggregate Face Amount of Tranche] [Title of Certificates] [to be consolidated and form a single series with the existing [Aggregate Face Amount of Tranche] [Title of Certificates] issued on [•] (the "Original Certificates")]

under the U.S.\$2,500,000,000

Trust Certificate Issuance Programme

PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 18 July 2024 (the "**Base Prospectus**") [and the supplemental Base Prospectus dated [•]]. This document constitutes the Pricing Supplement relating to the issue of the Certificates described herein and must be read in conjunction with the Base Prospectus [and its supplement(s)]. This Pricing Supplement must be read in conjunction with the Base Prospectus [as so supplemented].

Full information on the Trustee, the Bank and the Certificates is only available on the basis of the combination of this Pricing Supplement and the Base Prospectus [as so supplemented]. The Base Prospectus [and the supplemental Base Prospectus] [is] [are] available for viewing on the website of the Irish Stock Exchange, trading as Euronext Dublin ("**Euronext Dublin**") (<https://live.euronext.com/>).

Any person making or intending to make an offer of the Certificates may only do so in circumstances in which no obligation arises for the Trustee, the Bank or any Dealer to publish a prospectus pursuant to either of Article 3 of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") or section 85 of the Financial Services and Markets Act 2000 (the "**FSMA**") or to supplement a prospectus pursuant to Article 23 of the Prospectus Regulation or Article 23 of the Prospectus Regulation, in each case, in relation to such offer.

1. (i) Trustee: Mashreq Al Islami Sukuk Company Ltd.
- (ii) Bank: Mashreqbank psc
2. (i) Series Number: [•]
- (ii) Tranche Number: [•]
- (iii) Date on which the Certificates will be consolidated and form a single Series: [The Certificates will be consolidated and form a single Series with [identify earlier Tranche(s)] on [insert date/the Issue Date]/Not Applicable]
3. Specified Currency: [•]
4. Aggregate Face Amount:
 - (i) Series: [•]
 - (ii) Tranche: [•]
5. (i) Issue Price: [•] per cent. of the Aggregate Face Amount [plus [Specified Currency]][•] in respect of [•] days of

accrued Periodic Distribution Amounts from (and including) [the issue date of the Original Certificates] to (but excluding) the Issue Date]

- (ii) Tangible Asset Percentage: [•]
- (iii) Intangible Asset Percentage: [•]
- 6. (i) Specified Denominations: [•]
- (ii) Calculation Amount: [•]
- 7. Issue Date: [•]
- 8. (i) Return Accrual Commencement Date: [•]/[Issue Date]
- (ii) Scheduled Dissolution Date: [•]
- 9. Periodic Distribution Amount Basis: [•] per cent. Fixed Periodic Distribution Amount
(see paragraph 14 below)
- 10. Dissolution Basis: Subject to any purchase and cancellation or early redemption, the Certificates will be redeemed at [100] per cent. of their Aggregate Face Amount
- 11. Put/Call Option: [Not Applicable] [Optional Dissolution Right] [Certificateholder Put Option]
- 12. Date of [Board] approval for issuance of Certificates obtained: [•] in the case of the Trustee
[•] in the case of the Bank
- 13. Status: Senior

PROVISIONS RELATING TO PERIODIC DISTRIBUTIONS PAYABLE

- 14. Periodic Distribution Provisions
 - (i) Profit Rate[(s)]: [•] per cent. per annum [payable [annually/ semi-annually/ quarterly/ monthly] in arrear]
 - (ii) Periodic Distribution Date(s): [•] [and [•]] in each year up to and including the Scheduled Dissolution Date
 - (iii) Fixed Amount[(s)]: [•] per Calculation Amount
 - (iv) Broken Amount(s): [[•] per Calculation Amount, payable on the Periodic Distribution Date falling [in]/[on] [•]/Not Applicable]
 - (v) Day Count Fraction: [30/360/Actual/Actual (ICMA)]

PROVISIONS RELATING TO DISSOLUTION

- 15. Optional Dissolution Right: [Applicable/Not Applicable]
 - (i) Optional Dissolution Amount(s): [Dissolution Distribution Amount/[•] per Calculation Amount]
 - (ii) Optional Dissolution Date(s) : [•]

- (iii) If redeemable in part:
- (A) Minimum Optional [•]
Dissolution Amount:
- (B) Maximum Optional [•]
Dissolution Amount:
- (iv) Notice period: Minimum Notice Period: [•] days
Maximum Notice Period: [•] days
16. Certificateholder Put Option: [Applicable/Not Applicable]
- (i) Certificateholder Put Option [Dissolution Distribution Amount/[•] per Calculation
Dissolution Amount(s): Amount]
- (ii) Certificateholder Put Option [•]
Date(s):
- (iii) Notice period: Minimum Notice Period: [•] days
Maximum Notice Period: [•] days
17. Tangibility Event Dissolution Amount: [Dissolution Distribution Amount/[•] per Calculation
Amount]
18. Dissolution Distribution Amount: [•] per Calculation Amount
19. Early Dissolution Amount (Tax) [Dissolution Distribution Amount/[•] per Calculation
(following early dissolution for tax Amount
reasons):
20. Notice period for early dissolution Minimum Notice Period: [•] days
pursuant to Conditions 10(b) (*Capital Maximum Notice Period: [•] days
Distributions of the Trust – Early
Dissolution for Tax Reasons*) or 10(f)
(*Capital Distributions of the Trust –
Clean Up Call Right*):

GENERAL PROVISIONS APPLICABLE TO THE CERTIFICATES

21. Form of Certificates: Registered Certificates

Global Certificate exchangeable for Certificates in definitive registered form in the limited circumstances specified in the Global Certificate
22. Additional Financial Centre(s) relating to payment: [Not Applicable]
23. Details of Transaction Account: Mashreq Al Islami Sukuk Company Ltd. Transaction

Account No; [•] for Series No.: [•]

Signed on behalf of

MASHREQ AL ISLAMI SUKUK COMPANY LTD.

By:
Duly authorised

Signed on behalf of

MASHREQBANK PSC

By:
Duly authorised

PART B - OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing and admission to trading: [Application has been made by the Trustee (or on its behalf) for the Certificates to be admitted to trading on the [•] with effect from [•].] [Application is expected to be made by the Trustee (or on its behalf) for the Certificates to be admitted to trading on the [•] with effect from [•].]

[Not Applicable]

- (ii) Estimate of total expenses related to admission to trading; [•]

2. RATINGS

Ratings: [The Certificates to be issued have not been rated/The Certificates to be issued [have been/are expected to be] rated:

[S&P Global Ratings Europe Limited: [A]/[Not Applicable]]

[Fitch Ratings Limited: [•]/[Not Applicable]]

[Moody's Investors Service Cyprus Ltd.: [•]/[Not Applicable]]

[The Certificates to be issued have not been rated/The Certificates to be issued [have been/are expected to be] rated:

[insert details]] by [insert the legal name of the relevant credit rating agency entity(ies) and associated defined terms].

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

[Save for any fees payable to the [Managers/Dealers], so far as the Trustee and the Bank are aware, no person involved in the offer of the Certificates has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Bank and its affiliates in the ordinary course of business for which they may receive fees.]

4. RATE

[Indication of profit rate: [•]

The profit rate is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future profit or return.]

5. OPERATIONAL INFORMATION

- (i) ISIN: [[•]/Until the Certificates are consolidated, become fungible with and form a single series with the Original Certificates, the Certificates will have the temporary

ISIN [•]. After that, the Certificates will have the same ISIN as the Original Certificates, which is [•]

- (ii) Common Code: [[•]/Until the Certificates are consolidated, become fungible with and form a single series with the Original Certificates, the Certificates will have the temporary Common Code [•]. After that, the Certificates will have the same Common Code as the Original Certificates, which is [•]]
- (iii) CFI: [[See/[include code], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
- (iv) FISN: [[See/[include code], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
- (v) Names and addresses of additional Paying Agent(s) or Calculation Agent (if any): [[•]/Not Applicable]
- (vi) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): [Not Applicable/[•]]
- (vii) Delivery: Delivery [against/free of] payment

6. DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non-syndicated]
 - (A) If syndicated, names of Managers: [Not Applicable/[•]]
 - (B) Stabilisation Manager(s) (if any): [Not Applicable/[•]]
- (ii) If non-syndicated, name of relevant Dealer: [Not Applicable/[•]]
- (iii) If non-syndicated, relevant trade date: [Not Applicable/[•]]

7. THIRD PARTY INFORMATION

[[•] has been extracted from [•]. The Trustee and the Bank confirm that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [•], no facts have been omitted which would render the reproduced information inaccurate or misleading./Not Applicable.]

USE OF PROCEEDS

The net proceeds from the issue of each Tranche of Certificates will be applied by the Trustee pursuant to the terms of the relevant Transaction Documents (i) towards the purchase from the Bank of all of its rights, title, interests, benefits and entitlements in, to and under (in the case of the first Tranche of the relevant Series of Certificates) the relevant Initial Assets or (in the case of any subsequent Tranche of such Series) the relevant Additional Assets, as the case may be, pursuant to the relevant Purchase Agreement(s); and (ii) (to the extent applicable) towards the purchase of the Commodities to be sold to the Bank pursuant to the Master Murabaha Agreement.

The amounts subsequently received by the Bank in consideration for the transactions entered into with the Trustee as set out above, including with respect to the proceeds received from the on-sale of the commodities by the Bank, shall be invested in the Bank's Islamic finance business.

PRESENTATION OF FINANCIAL INFORMATION

Historical financial statements

The historical financial statements relating to the Bank included in this Base Prospectus are:

- (a) the audited consolidated annual financial statements as at and for the financial year ended 31 December 2022 (the "**2022 Financial Statements**");
- (b) the audited consolidated annual financial statements as at and for the financial year ended 31 December 2023 (the "**2023 Financial Statements**" and together with the 2022 Financial Statements, the "**Annual Financial Statements**"); and .
- (c) the unaudited condensed consolidated interim financial information as of and for the three months ended 31 March 2024 (the "**Interim Financial Statements**" and together with the Annual Financial Statements, the "Financial Statements").

The Annual Financial Statements have been prepared in accordance with IFRS Accounting Standards ("**IFRS**") issued by the International Accounting Standards Board (the "**IASB**").

The Interim Financial Statements have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting ("**IAS 34**").

The Group's financial year ends on 31 December and references in this document to a "financial year" are to the twelve-month period ended on 31 December of the year referred to.

The Group publishes its financial statements in UAE dirham.

Independent Auditors

The 2022 Financial Statements have been audited by PricewaterhouseCoopers (Dubai branch) ("**PwC**"), without qualification, in accordance with International Standards on Auditing. The 2023 Financial Statements have been audited by Deloitte & Touche (M.E.) ("**Deloitte**"), without qualification, in accordance with International Standards on Auditing.

The Interim Financial Statements have been reviewed by Deloitte in accordance with the International Standard of Review Engagements 2410 "Review of Interim Financial Information performed by the Independent Auditor of the Entity" ("**ISRE 2410**"), without qualification.

SELECTED FINANCIAL INFORMATION

The following table sets forth selected consolidated financial information of the Bank as at and for the years ended 31 December 2023 and 31 December 2022, which has been derived without material adjustment from the Financial Statements. The selected financial information below should be read in conjunction with the risk factors set forth under heading "Risk Factors", the Financial Statements and other information included elsewhere in this Base Prospectus.

	As at and for the year ended 31 December 2023	As at and for the year ended 31 December 2022 (restated)
	<i>(in AED millions)</i>	<i>(in AED millions)</i>
Selected balance sheet data:		
Cash and balances with central banks	41,760	31,436
Loans and advances to banks	39,127	29,054
Loans and advances to customers (net)	93,603	75,630
Islamic financing and investment products measured at amortised cost.....	16,752	14,673
Investments (net) ⁽¹⁾	36,485	27,318
Total assets.....	239,981	197,245
Deposits and balances due to banks	37,335	28,399
Customers' deposits ⁽²⁾	146,232	113,806
Total equity	31,318	24,509
Selected income statement data:		
Net interest income and income from Islamic products net of distribution to depositors.....	7,710	4,570
Net fee and commission income.....	1,433	1,346
Net investment income.....	30	92
Other income, net.....	1,631	1,299
General and administrative expenses	(3,342)	(2,871)
Profit/(Loss) for the year before non-controlling interests.....	87	93
Profits/(Loss) attributable to equity holders of the parent.....	8,589	3,729
Selected ratios (in per cent.):		
Return on average assets⁽³⁾	4.13	2.12
Return on average equity⁽⁴⁾.....	34.26	17.65
Net loans to customer deposit ratio.....	75.5	79.3
Equity to asset ratio	13.0	12.4

Notes:

- (1) Investments (net) are the sum of the line items "Financial assets measured at fair value", "Securities measured at amortised cost" and "Investment properties" appearing in the Bank's consolidated statements of financial position for each relevant period.
- (2) Customers' deposits are the sum of the line items "Customers' deposits" and "Islamic customers' deposits" appearing in the Bank's consolidated statements of financial position for each relevant period.
- (3) Return on average ("ROA") assets is an indicator of how profitable a company is relative to its total assets. ROA gives an idea as to how efficient management is at using its assets to generate earnings. See the "Alternative Performance Measures" section.
- (4) Return on average equity is an adjusted version of return on equity, which measures profitability by revealing profit generated from the money shareholders have invested and where the denominator is average shareholders' equity. See the "Alternative Performance Measures" section.

ALTERNATIVE PERFORMANCE MEASURES

Certain financial measures presented by the Bank in this Base Prospectus are not defined in accordance with IFRS. The Bank believes that the alternative performance measures (as defined in the European Securities and Markets Authority guidelines (the "**ESMA Guidelines**") on Alternative Performance Measures ("**APMs**")) included in this Base Prospectus provide useful supplementary information to both investors and to the Bank's management, as they facilitate the evaluation of underlying business performance across financial reporting periods. However, investors are cautioned not to place undue reliance on this information and should note that, since not all companies calculate financial measurements such as the APMs presented by the Bank in this Base Prospectus in the same manner, these are not always directly comparable to performance metrics used by other companies.

Additionally, the APMs presented by the Bank in this Base Prospectus are unaudited and have not been prepared in accordance with IFRS. Accordingly, these financial measures should not be seen as a substitute for measures defined according to IFRS. The Bank considers that the following metrics (which are set out below along with their reconciliation, to the extent that such information is not defined according to IFRS and not included in the Financial Statements annexed to this Base Prospectus) presented in this Base Prospectus constitute APMs for the purposes of the ESMA Guidelines:

APM	Definition of APM	Method of Calculation	Reconciliation to Financial Statements
Gross non-performing loans to gross loans ratio	Non-performing loans to total gross loans ratio is calculated by using the value of non-performing loans (" NPLs ") as the numerator and the total value of the loan portfolio (including NPLs, and before the deduction of specific loan-loss provisions) as the denominator. It is often used as a proxy for asset quality and is intended to identify problems with asset quality in the loan portfolio.	(NPL (impaired loans and advances to customers plus impaired Islamic financing and investment products) minus interest/profit suspended) divided by (Gross Loans (Loans and advances to customers plus Islamic financing and investment products minus unearned income) minus interest/profit suspended).	"Stage 3" "Loans and advances to customers" and "Islamic financing and investment products" set out in Note 43 – Credit risk management section of the 2023 Financial Statements, "Interest/ Profit in suspense" as derived from internal management records. "Loans and advances to banks" as set out in Note 6, "Loans and advances to customers" as set out in Note 8, "Islamic financing and investment products" and "unearned income" set out in Note 9 to the 2023 Financial Statements.
Loan loss coverage ratio	Loan loss coverage ratio is a financial measure which is used to determine how well a bank has prepared for losses on its loan portfolio.	Total allowance for impairment for loans and advances to customers minus interest/profit suspended divided by NPL (impaired loans and advances plus impaired Islamic financing and investment products) minus interest/profit suspended.	"Loss allowance" on "Loans and advances to customers" and "Islamic financing and investment products" set out in Note 43 – Credit risk management section of the 2023 Financial Statements. "Interest/Profit in suspense" as derived from internal management records. "Stage 3" "Loans and advances to customers" and "Islamic financing and investment products" as set out in Note 43 Credit risk management section of the 2023 Financial Statements.
Return on average assets	Return on average assets (" ROA ") is an indicator of how profitable a company is relative to its total assets. ROA gives an idea as to how efficient management is at using	Profits attributable to owners of the parent, less coupon paid to additional tier 1 holders, divided by average total assets (average of four quarters) excluding customer acceptances	"Profit attributable to owners of the parent" as set out in the Consolidated statement of profit or loss of the 2023 Financial Statements and "Last 4 quarters average total assets", "Customer acceptances" and "Fair

APM	Definition of APM	Method of Calculation	Reconciliation to Financial Statements
	its assets to generate earnings.	and positive fair value of derivatives.	value of derivatives" as derived from internal management records.
Return on average equity	Return on average equity is an adjusted version of return on equity (" ROE "), which measures profitability by revealing profit generated from the money shareholders have invested and where the denominator is average shareholders' equity.	Profits attributable to owners of the parent, less coupon paid to additional tier 1 holders, divided by average equity attributable to owners of the parent (average of four quarters).	"Profits attributable to owners of the parent" set out in the Consolidated statement of profit or loss of the 2023 Financial Statements and "Last 4 quarters average of equity attributable to owners of the parent" as set out in the Consolidated statement of financial position of the 2023 Financial Statements.
Net loans to customer deposit ratio	The loan to deposit ratio is used to calculate a lending institution's ability to cover withdrawals made by its customers. A lending institution that accepts deposits must have a certain measure of liquidity to maintain its normal daily operations.	Net Loans and Advances (loans and advances at amortised cost plus Islamic financing and investment products) divided by total customer deposits (customer deposits plus Islamic customer deposits).	"Loans and advances measured at amortised cost", "Islamic financing and investment products measured at amortised cost", "Customers deposits", "Islamic customers deposits" as set out in Consolidated statement of financial position of the 2023 Financial Statements.
Net loans to customer deposit ratio and medium-term loan	This measures how much of customer deposits and medium term loans is deployed in loans. This also measures the liquidity aspect of the Bank.	Net Loans (loans and advances at amortised cost plus Islamic financing and investment products) divided by total customer deposits (customer deposits plus Islamic customer deposits) and Medium-Term Loans.	"Loans and advances measured at amortised cost", "Islamic financing and investment products measured at amortised cost", "Customers deposits", "Islamic customers deposits", "Medium-term loans" as set out in Consolidated statement of financial position of the 2023 Financial Statements.
Equity to asset ratio	The shareholder equity ratio determines how much shareholders would receive in the event of a company-wide liquidation. Equity to asset ratio represents the amount of assets on which shareholders have a residual claim.	Total Equity divided by Total Assets.	"Total Equity" and "Total Assets" as set out in Consolidated statement of financial position of the 2023 Financial Statements.
Customer deposits to total funding base ratio	The Bank counts on customer deposits as a stable source of funds for their lending base. Deposits offer many advantages to banks, such as predictable costs and a measurement of the degree of customer loyalty.	Total Customer Deposits (customer deposits plus Islamic customer deposits) divided by Funding Base (total liabilities minus other liabilities minus Insurance and Life Assurance Funds plus Paid-up Capital).	"Customers deposits", "Islamic customers deposits", "Medium-term loans", "Total Liabilities", "Other Liabilities", "Insurance contract liabilities" and "Issued and paid up capital" as set out in Consolidated statement of financial position of the 2023 Financial Statements.
Net loans to total assets ratio	Net loans to total assets ratio is a percentage of assets tied up in loans. The higher the ratio, the less liquid the Bank is. Net loans represent total loans reduced by provision and interest in suspense.	Net Loans (loans and advances at amortised cost plus Islamic financing and investment products at amortised cost) divided by Total Assets.	"Loans and advances measured at amortised cost", "Islamic financing and investment products measured at amortised cost", "Total Assets" as set out in Consolidated statement of financial position of the 2023 Financial Statements.

DESCRIPTION OF THE TRUSTEE

General

The Trustee is an exempted company incorporated on 21 February 2024 with limited liability under the Companies Act (as amended) of the Cayman Islands with company registration number 407388. The Trustee was established as a company for the sole purpose of issuing Certificates under the Programme and entering into the transactions contemplated by the Transaction Documents. The registered office of the Trustee is at the offices of Walkers Fiduciary Limited at 190 Elgin Avenue, George Town, Grand Cayman, KY1-9008, Cayman Islands, and its telephone number is +1 345 814 7600.

Share Capital

The authorised share capital of the Trustee is U.S.\$50,000 consisting of 50,000 ordinary shares of a par value of U.S.\$1.00 each, 250 of which have been issued. All of the issued shares (the "**Shares**") are fully-paid and are held by Walkers Fiduciary Limited as share trustee (the "**Share Trustee**") under the terms of a declaration of trust (the "**Declaration of Trust**") under which the Share Trustee holds the Shares in trust until the Termination Date (as defined in the Declaration of Trust) and may only dispose or otherwise deal with the Shares in accordance with the Share Declaration of Trust. Prior to the Termination Date, the trust is an accumulation trust, but the Share Trustee has the power to benefit Charities (as defined in the Declaration of Trust). It is not anticipated that any distribution will be made whilst any Certificate is outstanding. Following the Termination Date, the Share Trustee will wind up the trust and make a final distribution to Charity. The Share Trustee has no beneficial interest in, and derives no benefit (other than its fee for acting as Share Trustee) from, its holding of the Shares.

Business of the Trustee

The business of the Trustee has been limited to issuing Certificates under the Programme and performing its obligations under the Transaction Documents. The Trustee has no prior operating history or prior business and does not and will not have any substantial liabilities other than in connection with the Certificates to be issued under the Programme. The Certificates are the obligations of the Trustee alone and not the Share Trustee.

The objects for which the Trustee is established are set out in clause 3 of its Memorandum of Association as registered or adopted on 21 February 2024.

Financial Statements

Since its date of incorporation, no financial statements of the Trustee have been prepared. The Trustee is not required by Cayman Islands law, and does not intend, to publish audited financial statements.

Directors of the Trustee

The Directors of the Trustee are as follows:

<u>Name</u>	<u>Principal Occupation</u>
Jordan Hebert	Vice President, Walkers Fiduciary Limited
Gennie Bigord	Senior Vice President, Walkers Fiduciary Limited
Linval Stewart	Vice President, Walkers Fiduciary Limited

The business address of Jordan Hebert is at c/o Walkers Professional Services (Middle East) Limited, P.O. Box 506513, Level 14, Burj Daman, Dubai International Financial Centre, Dubai, United Arab Emirates.

The business address of Gennie Bigord and Linval Stewart is at c/o Walkers Fiduciary Limited, 190 Elgin Avenue, George Town, Grand Cayman, KY1-9008, Cayman Islands.

The Trustee has no subsidiaries, employees or non-executive directors.

Conflicts

There are no potential conflicts of interest between the private interests or other duties of the Directors of the Trustee listed above and their respective duties to the Trustee other than in their capacities as employees of Walkers Fiduciary Limited, the corporate services administrator of the Trustee.

The Trustee Administrator

Walkers Fiduciary Limited will also act, or procure that a subsidiary acts, as the corporate service provider of the Trustee (in such capacity, acting as "**Trustee Administrator**"). The office of the Trustee Administrator serves as the registered office of the Trustee. Through the office, and pursuant to the terms of the Corporate Services Agreement, the Trustee Administrator performs in the Cayman Islands, the United Arab Emirates and/or such other jurisdictions as may be agreed by the Trustee and the Trustee Administrator from time to time, various administrative functions on behalf of the Trustee, including communications with shareholders and the general public, and the provision of certain clerical, administrative and other services until termination of the Corporate Services Agreement. In consideration of the foregoing, the Trustee Administrator will receive various fees payable by the Trustee at rates agreed upon from time to time, plus expenses. The terms of the Corporate Services Agreement provide that the Trustee may terminate the appointment of the Trustee Administrator by giving one month's notice to the Trustee Administrator or without notice upon the happening of certain stated events, including any breach by the Trustee Administrator of its obligations under the Corporate Services Agreement. In addition, the Corporate Services Agreement provides that the Trustee Administrator shall be entitled to retire from its appointment by giving at least one month's notice in writing.

The Trustee Administrator will be subject to the overview of the Trustee's Directors.

The Trustee Administrator's principal office is c/o Walkers Fiduciary Limited, 190 Elgin Avenue, George Town, Grand Cayman, KY1-9008, Cayman Islands. The Directors of the Trustee are all employees or officers of the Trustee Administrator. The Trustee has no employees and is not expected to have any employees in the future.

DESCRIPTION OF THE BANK

History and overview of the Bank

The Bank is the oldest domestic commercial bank in the UAE and was incorporated by a decree of His Highness the Ruler of Dubai as a public shareholding company in the Emirate of Dubai in May 1967. The Bank operates within the UAE and is registered with the Companies' Register of the Securities and Commodities Authority of the UAE under registration number 57. The Bank changed its name to Mashreqbank from Bank of Oman Limited in 1993 and, as at 31 December 2023, was the fifth largest local bank in the UAE in terms of total assets (see further "*Description of the Bank – Competition – Ranking by Total Assets*"). The head office of the Bank is located at Mashreqbank Global Headquarters, Al Umniyati Street, Burj Khalifa Community, P.O. Box 1250, Dubai, UAE. The Bank is regulated by the UAE Central Bank.

The Bank, through its head office in Dubai, operated a network of seven branches in the UAE, 24 international branches (16 in Egypt, two legal entities onshore and offshore in Bahrain, one branch in each of the United States, Kuwait, Qatar, the UK, India and Hong Kong) and four representative offices (in China, Bangladesh, Pakistan and Nepal), as at 31 December 2023.

The Bank also operated 16 subsidiaries (twelve in the UAE, one in the Cayman Islands, one in Egypt and two in Pakistan), as at 31 December 2023, which provide services such as insurance, securities brokerage, consumer finance, asset management, investment management, business processing outsourcing (i.e. back office operations) and information technology.

The Bank's core businesses are retail banking, corporate and investment banking, international banking and treasury and capital markets. The Bank offers a diverse range of products and services including trade finance, contract finance, project finance, deposit taking, consumer lending, credit cards, wealth management, electronic funds transfer at points-of-sale, ATMs, call centres, treasury, correspondent banking, online banking and mobile banking. To further enhance its offering, the Bank established an Islamic Banking division offering *Shari'a*-compliant financing in November 2006.

The Bank's operating income increased from AED 7,307 million for the year ended 31 December 2022 to AED 10,803 million for the year ended 31 December 2023, corresponding to an increase of 47.9 per cent. The Bank's total assets have increased from AED 197,245 million as at 31 December 2022 to AED 239,981 million as at December 2023, representing an annual growth rate of 21.7 per cent.

The Bank's total loans and advances to customers including Islamic financing, (net of impairment allowances) as at 31 December 2023 were AED 110,355 million, compared with AED 90,303 million as at 31 December 2022. The Bank's customer deposits as at 31 December 2023 were AED 146,232 million, compared with AED 113,806 million as at 31 December 2022.

As at 31 December 2023, approximately 83.4 per cent. of the capital of the Bank is owned by members of the Al-Ghurair family, either directly or indirectly through companies controlled by them, with the balance of the capital being held publicly. Given below are major shareholders at the Bank as of 31 December 2023:

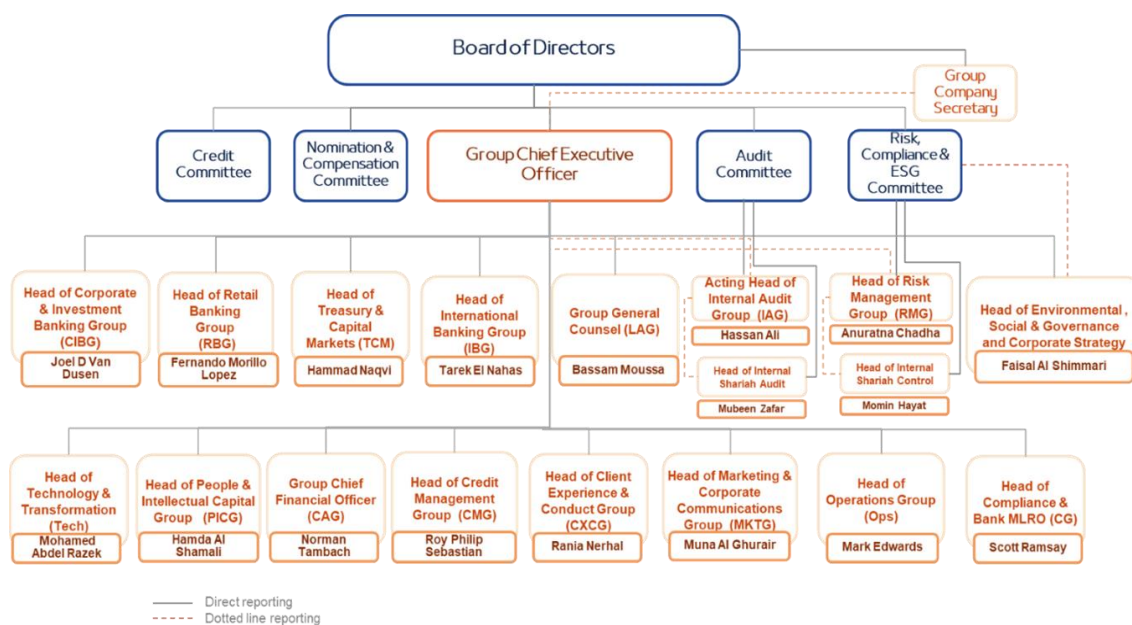
- Saif Al Ghurair Investment Company LLC – 39.6 per cent. of the Bank's share capital;
- Abdulla Ahmed Al Ghurair Investment Co. – 31.1 per cent. of the Bank's share capital; and
- Massar Investments LLC – 12.7 per cent. of the Bank's share capital.

The Bank's shares are listed and traded on the Dubai Financial Market.

Strategy

The Bank introduced a rolling strategic growth plan in 2016 and has continued with it into 2024. This is expected to play an important role in providing strategic guidance and driving the business growth of the Bank. The key areas of the Bank's strategy are articulated around "SIMPLE": (i) superior client experience; (ii) innovation and information-led transformation; (iii) maximise shareholder value; (iv) performance excellence; (v) lean and agile organisation; and (vi) empowering people.

The following chart sets out the Bank's organisational structure as at the date of this Base Prospectus.



Description of the Bank's business

The Bank divides its business into three main business groups: (i) Wholesale Banking (which consists of (A) Corporate and Investment Banking and (B) International Banking); (ii) Retail Banking; (iii) Treasury and Capital Markets.

1. *The Wholesale Banking Group*

(a) **The Corporate and Investment Banking part of the Wholesale Banking Group ("CIBG")**

Corporate and Investment Wholesale Banking focuses on the management of corporate and financial institution ("FI") clients.

The CIBG consists of dedicated industry-specific business divisions and units, providing a wide range of conventional and Islamic financial products exclusively to government, public sector, FI and corporate clients across a variety of industries. These divisions and units are supported by sophisticated product structuring and solutions delivery experts.

(i) *Corporate Origination and Business Development*

The Corporate Origination and Business Development division ("**COBD**") was formed as the first dedicated origination team within the corporate banking function across the UAE. The COBD initiates new relationships for the Bank given its experience across various industries which cover the full suite of corporate products. The COBD has dedicated coverage teams for multinationals, large and mid-size UAE-based corporate entities, as well as international and regional markets, with dedicated desks covering the Kingdom of Saudi Arabia and Oman.

(ii) *Global Transaction Banking*

The Global Transaction Banking division ("**GTB**") utilises the Bank's regional and international network to serve financial institutions, large corporate and mid-market clients. Transaction banking is a strategically important business for the Bank and plays a key role in the Group's UAE and regional strategy.

GTB offers cash management, trade and supply chain finance solutions to satisfy various business requirements of the Bank's clients domestically, in the Middle East region and across international

trade corridors between the Middle East and other regions. Such solutions are complemented by the Bank's U.S. dollar and Dirham clearing businesses and an international trade correspondent network spanning more than 450 banks across 60 markets. The GTB enables the Bank to support international trade with many of the world's key economic regions.

The GTB offers customised products and digital solutions, tailored to each client's industry-specific needs. In addition, the GTB's broad range of cash management and liquidity solutions help corporate clients optimise their daily local, regional and global treasury operations through a single digital platform covering the UAE, Qatar, Bahrain, Kuwait and Egyptian markets. The Bank plans to expand this coverage to additional markets in the near future.

The GTB supports clients' trade finance needs in the Middle East region and across the world by leveraging its market-leading trade finance expertise and a global trade network through its branches in the GCC, Egypt, Hong Kong, New York, Mumbai and London.

The GTB has received multiple awards from global industry bodies and recognition from financial media such as Euromoney Trade Finance Market Leader UAE and Middle East in 2021 and 2022, Euromoney Cash Management Leader in the UAE from 2020 to 2023 (inclusive), and Euromoney Best Bank for Digital Solutions in the UAE in 2023.

(iii) *Investment Banking*

The Bank's Investment Banking division ("**IB**") provides comprehensive capital raising solutions for the Bank's corporate and financial institution clients. The IB engages with the Bank's key clients in various industries and geographies. The Bank has an award-winning IB platform that serves clients in many markets. The IB has an established track record in leading (conventional and *Shari'a*-compliant) debt capital raising mandates, as well as providing equity and debt advisory services.

Taking into account market conditions, the IB develops and implements tailored solutions for the Bank's clients to meet their specific financing and capital requirements. The IB uses expertise in various sectors, regions and products to formulate customised, sophisticated strategies for the Bank's clients.

The Bank's integrated coverage model offers clients access to industry and geography-specific expertise across all product solutions. Furthermore, the platform has an established best-in-class distribution model that includes investors across markets and asset classes.

– Loan Syndications

Term Financing for Corporate Entities: The Bank has arranged syndicated loans for large and mid-market corporate entities, including debut borrowers, for the purpose of capital expenditure (capex), refinancing existing debt and general corporate purposes, for tenors that are in line with market practice.

Financial Institutions: The Bank is an active arranger of syndicated loans for financial institutions in Africa, the Middle East and Asia. The Bank's loan distribution reach extends across syndicated loan markets in Europe, Asia and the Middle East.

Leveraged Buyouts: The Bank facilitates new business acquisitions by sponsors and companies, using its ability to structure and underwrite non-recourse facilities, and subsequently offer syndicated participation opportunities to a wider group of banks.

Structured Trade Solutions: The Bank explores financing solutions for various stages of working capital cycles and has the ability to devise financing structures that can ultimately be offered to other lenders for syndicated participation.

– Debt Capital Markets

The Bank is an arranger and underwriter of debt capital in investment grade and high-yield markets, providing clients with strategic advice at each stage of the debt issuance process. The Bank has an integrated platform that enables it to access numerous markets and deliver custom-made financing solutions and execute public issuance and private placements of conventional and *Shari'a*-compliant debt securities issued by the Bank's clients.

– Debt Advisory

The Bank evaluates the suitability of a client's existing borrowing framework, engages in strategic discussions with clients, recommends an appropriate composition of bank and capital market debt and oversees the execution of the restructuring of the client's debt profile.

– Advisory

The Bank's access to the wider investor community, through relationships with financial sponsors, family offices and private banking clients across the region, sits at the core of its mergers and acquisition Advisory activities. The IB division supports key clients in specific sectors to unlock value opportunistically in their businesses and running an end-to-end process.

– Investment Agency Services

The Bank is among the few banks in the Middle East region to offer a full suite of facility agency, security agency and initial public offering services to its clients. The Bank seeks to increase its focus on its initial public offering function and provide world-class services to participants in large, syndicated transactions and fund raising processes.

(iv) *Islamic Banking*

The Bank offers *Shari'a*-compliant products and services through its Islamic Banking window, Mashreq Al Islami. Mashreq Al Islami provides retail and corporate Islamic banking services to clients across the Bank's network. Mashreq Al Islami offers Islamic financial products and services such as working capital, construction finance, asset procurement, lease rental discounting, liquidity management, asset management and hedging services. The Bank offers products, services and solutions for corporate clients operating in various industries, including the trading, real estate, services and manufacturing and contracting industries.

Mashreq Al Islami has a team of relationship managers that are trained to deal in *Shari'a*-compliant products and specialise in industry sectors. Islamic banking has grown exponentially in the Middle East region, and the Bank has successfully arranged finance for local and international clients, introducing them to local liquidity and unique Islamic corporate structures.

The Bank's Islamic banking activity is supervised by an independent *Shari'a* board comprised of renowned *Shari'a* scholars to ensure a high level of *Shari'a* compliance.

(v) *Financial Institutions*

The Bank's FI division is responsible for establishing and maintaining relationships across FIs to globally support their banking requirements, which includes relationship management, business origination and correspondent banking services across the network. With a global footprint across key trade corridors, and extensive experience, spanning five decades, the Bank has a deep understanding of international trade flows and expertise in trade finance. From a correspondent banking perspective, the Bank is the only U.S. dollar clearing bank in the Middle East that supports payment services internationally.

The Bank's FI division offers the following products and services: (i) trade finance (standby letters of credit and letters of credit confirmation, discounting, guarantees, UPAS (usance payable at sight), reimbursement financing, forfaiting and trade loans); (ii) arranging loan and debt capital market transactions; (iii) underwriting and financing solutions; (iv) clearing services (mainly for U.S. dollar and AED); (v) export bill collections; (vi) risk participations; (vii) swaps and derivatives; (viii) repos; (ix) bank notes; and (x) fixed income.

(vi) *Non-Banking Financial Institutions*

The Bank's Non-Banking Financial Institutions business provides corporate banking and financing solutions for (i) investors, financial sponsors and asset managers; (ii) insurers; and (iii) fintech companies and other non-banking financial institution clients (such as stock and commodity exchanges and payment services providers).

The Bank's non-banking financial institution clients benefit from: (i) bespoke financing solutions; (ii) investment banking services; (iii) global cash management services; (iv) trade and receivable finance services; and (v) treasury capital markets services.

(vii) *Real Estate Finance and Advisory*

The Bank's Real Estate Finance and Advisory division comprises portfolio coverage and structuring teams. The division offers clients a range of debt, equity, advisory and trust management services. It specialises in the following property sectors: retail; commercial (offices and light industrial); hospitality; and residential sectors.

The division originates and executes bilateral and syndicated financing transactions for mid-market and large corporate entities including government entities, family offices, financial institutions and developers. It offers the following client solutions:

- (i) acquisition financing;
- (ii) development financing;
- (iii) receivables financing;
- (iv) vanilla, as well as structured, financing solutions on a recourse and non-recourse basis; and
- (v) real estate-related corporate and/or holding companies lending solutions on an asset backed as well as non-asset backed basis.

As at 31 December 2023, the trust management team within the Real Estate Finance and Advisory division managed real estate development sales proceeds in escrow accounts for approximately 21 per cent. and owners associations accounts for approximately 52 per cent. of the real estate development projects in Dubai. The trust management team was the first to be mandated as an authorised escrow agent by the Real Estate Regulatory Agency of Dubai, and won the Bank the award for "Top Trustee Bank" in 2010, 2013 and 2014. The trust management team actively works with the Dubai Land Department on the Tayseer and Owner's Association fronts and supports the Bank's other teams across the Emirates and in Qatar to formalise a streamlined trust management process.

(viii) *Public Sector & Energy*

The Public Sector division develops the Bank's relationships with national and regional sovereign-linked entities. The division offers a diverse product range, industry expertise and leading investment banking capabilities in terms of loans syndication, debt capital markets and environmental social and governance product structuring.

In recent years the Bank has increased its coverage for sovereign and government-related entities in respect of bilateral loans, syndications, public issuances and private placements of debt securities issuances, progressively growing its asset book.

The Bank's dedicated Energy division specialises in offering wholesale banking solutions such as trade finance, expansionary credit and structured solutions, and provides bespoke solutions to clients in the energy sector. It also provides corporate finance and debt capital markets services to such clients. The Energy division's coverage encompasses supporting clients operating in the conventional hydrocarbon value stream (upstream, midstream and downstream). Given the growing significance of environmentally conscious energy solutions, the Bank continues to invest and grow its profile in the renewable energy sector.

Operating out of a key region for the energy industry, the Bank's presence in the GCC has allowed it to develop as an industry specialist. The Energy division covers key markets in the GCC and actively develops relationships with industry stakeholders and large multinational oil and gas companies. Given the UAE's geographical location in the east-west corridor, the Energy division is a leading market participant, facilitating trades of oil and gas. The division leverages the Bank's network as well as its financial institution capabilities to mitigate risks for clients. By connecting counterparties and matching trade flows, the Bank's Energy division supports the region's, and in particular the UAE's, position as a key location for the energy industry.

The Energy Sector division partners with renowned communications and research firms, such as the Middle East Economic Digest and Gulf Intelligence, to build and enrich the Bank's thought leadership position in the energy space. These resources can be accessed through the Energy Sector division's dedicated microsites linked to the Bank's corporate website. The Energy Sector division regularly participates in and conducts energy-related conferences and webinars under the Bank's branding initiatives.

The Bank has appointed Faisal Mohammed AlShimmari as its new Head of Environmental Social Governance ("**ESG**") and has set an ambitious target of financing U.S.\$30 billion in sustainable financing by 2030. The Bank has already taken steps to achieve this target and, since January 2021, has facilitated \$15.5 billion of sustainable finance and adaptation-related investments. In November 2023, the Bank partnered with Visa and ecolytiq to introduce the first climate banking platform in the MENA region. The platform will allow customers to receive access to a host of value-added features that will help them understand their personal environmental impact with the aim of driving a shift in customer behaviour towards more sustainable choices. The Bank has also partnered with Chalhoub Group to extend its first Sustainability-Linked Working Capital Facility, reinforcing its commitment to ESG.

(ix) *Trading Companies*

The Bank's Trading Companies division provides specialised banking services to clients in the following industries:

- (i) retail trade and e-commerce: fashion, food and beverages, supermarkets and fast-moving consumer goods;
- (ii) commodities: soft commodities and regional trade;
- (iii) automotive and heavy equipment: dealers, agencies and distributors; and
- (iv) diversified groups: conglomerates and family offices.

The Trading Companies division includes relationship managers who are industry specialists. The industry specialists have a deep understanding of sector-specific client requirements and are thus able to advise on and deliver bespoke trade finance and banking solutions suited to the business needs of the Bank's clients.

(x) *Services and Manufacturing*

The Bank's Services and Manufacturing division focuses on clients in the global services, education and manufacturing sectors. To achieve this, the division leverages the Bank's wide geographical footprint and expertise in segments such as telecoms, healthcare, education, media, technology, logistics (land and marine), warehousing, tourism, security and facilities management, fast-moving consumer goods packaging, the manufacturing of copper, paper, ceramics, tyres,

batteries, plastics and chemicals, building materials (steel and cement) and other diversified segments.

(xi) *Contracting Finance*

The Contracting Finance division ("**CFD**") specialises in catering to the financing requirements of projects being undertaken by engineering and construction companies. The division was established in 1991 and was the first in the region to specialise in the contracting space. The Bank is recognised as one of the largest contracting finance banks in the UAE due to the wide coverage of the division, which caters to local, regional and international contractors from across the globe.

The CFD includes experienced bankers with an in-depth understanding of projects in, among other things the oil and gas, power, civil construction, infrastructure and petrochemical industries. The CFD finances projects located in the following countries in the MENA region: the UAE, the Kingdom of Saudi Arabia, Qatar, Kuwait, Bahrain, the Sultanate of Oman and Egypt. The division supports all the banking requirements of contractors from the inception of a project, through its execution and until the project's delivery, by offering a suite of products consisting of letters of guarantee, letters of credit, project-linked working capital facilities and derivative products required for hedging the procurement needs of the Bank's contractor clients.

The CFD is a single point of contact which supports projects across the MENA region. The Bank's interactions with its clients have been digitised thereby shortening the amount of time taken for the product or service to be delivered to clients.

(b) **The International Banking part of the Wholesale Banking Group**

The Bank's international network spans 12 countries. The Bank has: one branch in each of the United States, the United Kingdom, Kuwait, Qatar, India and Hong Kong; 16 branches in Cairo and Alexandria, Egypt; two legal entities based in Bahrain, one onshore and the other offshore. The Bank also has a presence in each of Pakistan, Bangladesh, Nepal and China through representative offices. The offshore banking entity in Bahrain plays an important role in supporting the Bank's international wholesale corporate business.

The Bank takes part in U.S.\$ clearing, intermediating international trade and taking related corporate exposure in key countries having a trade link with the GCC. As a core strategy, the Bank focuses on growing its international corporate, financial institution and public sector business by leveraging its footprint to provide a wide array of financial services and products to its clients.

The Bank's focus remains on transactions across its network and on payments, trade, investment and capital flows between the various countries it operates in. The Bank's International Banking group offers in-depth knowledge of its markets and the products it offers, and takes a strong relationship-led approach. The group is able to leverage the Bank's expertise across lending, trade finance, treasury services and capital market products (structured both conventionally and in a *Shari'a*-compliant manner).

The Bank's Widespread Network



2. *The Retail Banking Group*

With a domestic network of seven branches, 12 electronic business service units, 453 ATMs and cash and cheque deposit machines and 25 interactive teller machines spread across the UAE, the Bank is one of the leading providers of retail banking services in the UAE. The Bank also provides retail banking products and services through its branches in Egypt.

The Bank's retail banking products and services encompass a wide range of consumer loans, as well as basic and enhanced current accounts, demand, savings and term deposits, investment certificates, current account services, electronic funds services, foreign exchange services, debit cards and credit cards. As part of its retail portfolio, the Bank also offers a range of bancassurance products, which focus on whole life and term life insurance.

To further its strategy of adopting digital banking, in 2019 the Bank launched a programme to shift the focus of its branch network to advisory services and for interactions between the Bank's representatives and clients in the course of making significant financial decisions. In terms of everyday transactions, the Bank would use digital technology to allow clients to benefit from a wide range of self-service facilities. The Bank's plan was to expand the self-service offering to make banking services quicker, easier and more accessible across the Bank's network. As of 31 December 2023, the Bank had migrated 98 per cent. of all financial transactions and over 60 per cent. of non-financial transactions for retail customers from its branch network to automated service channels such as machines, mobiles and online services.

The Bank was the first bank in the UAE to launch a fully digital offering, Mashreq Neo. In 2023, Mashreq Neo witnessed an uptake of approximately 38 per cent. of new customer acquisition. The launch of Mashreq Neo was followed shortly by the launch of Mashreq NeoBiz which was the first digital platform in the UAE that offered customised and specifically tailored banking products and services for SMEs including start-ups and young businesses in the UAE. The Bank also launched Neo NXT in 2022 to provide comprehensive and convenient financial services to young individual clients. More than 7,000 Neo NXT accounts have been opened since its launch. More recently, the Bank has begun adding AI-enabled chatbot into its operations, to act as a virtual assistant to customers.

The Bank also launched its own digital wallet, Mashreq Pay, allowing clients to pay for purchases using their smartphones.

The Bank's initiatives for providing innovative solutions have been recognised by industry bodies. In 2022, the Bank received several awards including the "The Middle East & Africa Retail Banking Innovation Award" by The Digital Banker and "SME Digital Marketplace of the Year Award" by Entrepreneur Middle East. In 2023, the Bank continued to receive several awards for providing innovative solutions including winning the "Best Private Bank for Digital Customer Service in the Middle East" and the "Most Innovative Client Lifecycle Management of the Middle East" at the Wealth Tech Awards.

The Bank has increased its presence in private banking through bespoke financial solutions that cater to ultra-high net worth individuals and owners of companies. This includes providing access to a range of in-house and third-party investment products across different asset classes, geographies and industries.

The Bank continues to invest in initiatives that have the potential to not only deliver benefits for the Bank and its clients, but also to support the overall start-up ecosystem in the UAE.

The Bank is also one of the two banks to sponsor the Dubai Technology Entrepreneur Campus Entrepreneur Acceleration Programme at Dubai Silicon Oasis, where the Bank provided insights into financial management and banking processes to budding entrepreneurs.

In addition to the above, the Bank has a strategic alliance with the Dubai Department of Economy and Tourism (the "DET") and has created a tailor-made product for holders of an E-Trader licence, which is a commercial licence issued by the DET that allows such licence holders to sell products online and via social media platforms.

The Bank acquired a digital banking licence to operate in Pakistan under the Digital Regulatory Framework issued by the State Bank of Pakistan in 2023. The Bank will focus on offering digital liability banking products in Pakistan at the outset.

In 2023, Etisalat by e& signed a strategic collaboration agreement with Mashreqbank Egypt, which aims to enhance mobile banking services in Egypt and support state initiatives towards financial inclusion. Etisalat by e& and Mashreqbank Egypt will integrate banking services with modern telecommunications services to give customers access to secure banking services directly from mobile phones, in the hope this will facilitate financial transactions and increase efficiency in the mobile banking system.

3. *The Treasury and Capital Markets Group*

The Bank's Treasury and Capital Markets group ("TCM") works closely with the Bank's Wholesale and Retail Banking groups to serve the needs of its corporate, retail and financial institution clients with respect to treasury and investment products, both locally and internationally.

Mashreq Securities LLC, a subsidiary of the Bank, is an accredited securities broker on the Dubai Financial Market PJSC, the Abu Dhabi Securities Exchange ("ADX") and NASDAQ Dubai. Mashreq Securities LLC offers brokerage services in both conventional as well as Islamic formats.

The Bank also facilitates access to regional and international markets. It offers individual and institutional clients a range of products and services via trading platforms.

The Bank is also a broker and clearing member of the Dubai Gold and Commodities Exchange, and has established an asset management subsidiary, Mashreq Capital (DIFC) Limited, in the DIFC. In addition, the TCM undertakes a limited amount of trading activity for its own account.

In recent years, the Bank has extended its TCM product range to include customised derivative products designed to meet clients' individual investment and hedging requirements in foreign currency exchange, interest rates and equities.

The TCM group is also primarily responsible for managing the Bank's liquidity requirements. It acts under the supervision of the Bank's Assets and Liabilities Committee.

The Rates and Fixed Income desk within the TCM focuses on providing liability hedging solutions and tailor-made investment strategies to corporate, institutional and high net worth clients of the

Bank across the GCC. The desk provides access to primary and secondary fixed income markets to the Bank's clients including banks, corporate entities, non-bank financial institutions, family offices and high net worth individuals. The desk publishes periodic research material covering international and regional economic and market developments.

The Bank's Asset Management business comprises discretionary mandates for professional investors and public funds housed in the DIFC across a wide spectrum of strategies. Mashreq Capital (DIFC) Ltd. ("MC") is regulated by the Dubai Financial Services Authority and is responsible for managing public funds and discretionary mandates. MC specialises in regional public equities and global fixed income, in both *Shari'a*-compliant and conventional formats. MC offers comprehensive investment solutions, leveraging on regional investment expertise and fundamental research capability to deliver customised solutions.

Loan Portfolio

The Bank's total loans and advances to customers (net of impairment allowances) were AED 110,355 million as at 31 December 2023 and AED 90,303 million as at 31 December 2022. The following table sets out the Bank's gross loans and advances to customers (including Islamic financing and investment products), provisions and loan to deposit ratios as at the dates indicated.

	As at 31 December 2023	As at 31 December 2022
	<i>(AED millions)</i>	
Gross loans and advances to customers (including Islamic Financing and Investment Products)	113,329	95,085
Interest / other income in suspense	(502)	(749)
Allowances for impairment	(2,472)	(4,033)
Net loans	110,355	90,303
Net loans/customer deposits (per cent.)	75.5	79.3
Net loans/customer deposit + medium term loan (per cent.)	72.9	75.9

Distribution of Loans by Type of Collateral

As at 31 December 2023, the Bank held collateral to the value of approximately AED 36.5 billion against loans and advances to customers & Islamic financing and investment products and AED 2.4 billion against loans and advances to banks, consisting primarily of mortgage interests over property, other registered securities over assets and guarantees.

The Bank's credit procedures and policies specify margins and collateral coverage ratios (i.e. loan to value of collateral) depending on the type of facility and collateral obtained as well as the financial strength of the underlying borrower. The Bank has systems in place to monitor and enforce margin and collateral top-up requirements, if any. The Bank's method of valuing the collateral depends upon the type of collateral taken. The Bank also obtains independent valuations of other types of collateral on a regular basis. Borrowers may be required to provide a cash top-up or provide additional collateral as a result of such valuations.

Consumer loans provided for the purchase of assets, such as vehicles or residential property, are typically secured by the relevant assets. Those assets which are the subject of security in favour of the Bank are valued in advance of the loan being granted. For the purposes of calculating collateral coverage ratios, the Bank uses the lower of the purchase cost or fair market value of the relevant assets. Unsecured consumer loans are granted against the transfer of salary of the borrower and to employees of pre-approved companies or government departments.

Distribution of Loans by Maturity

The following table shows the distribution of the Bank's loans to customers portfolio (net of impairment allowances including Islamic Financing) by maturity as at 31 December 2023 and 31 December 2022:

	As at 31 December 2023	As at 31 December 2022
	<i>(AED millions)</i>	
Short-term loans ⁽¹⁾	48,309	40,258

	As at 31 December 2023	As at 31 December 2022
	<i>(AED millions)</i>	
Medium and long-term loans ⁽²⁾	62,046	50,045
Total	110,355	90,303

Notes:

⁽¹⁾ Residual maturities of up to and including one year.

⁽²⁾ Residual maturities in excess of one year.

Distribution of Loans by Currency

The following table shows the distribution of the Bank's loan portfolio (net of impairment allowances) by currency as at 31 December 2023 and 31 December 2022:

	As at 31 December 2023	As at 31 December 2022
	<i>(AED millions)</i>	
AED	57,308	49,390
Foreign currency	53,047	40,913
Total	110,355	90,303

The loans and advances, including Islamic financing, made by the Bank are typically funded in the same currency as the deposits and other sources of funds obtained by the Bank, which limits the Bank's exposure to exchange rate fluctuations. See "*Risk Management — Currency Risk Management*" below.

Credit Approval Procedures

The Board of Directors of the Bank delegates approval authorities to the Chairman of the Bank. The Chairman then delegates such authorities to the Group Chief Credit Officer ("**CCO**") of the Bank, who is, in turn, authorised to delegate certain credit approval authorities further within the credit risk management team of the Bank, based on the experience and employment grades of the credit approvers in the team.

The CCO is responsible for overseeing all aspects of credit underwriting and management and is supported by a team of experienced and trained credit risk managers.

The CCO and credit risk managers have delegated authority within the risk management framework to approve credit transactions and manage credit risk on an ongoing basis. All credit proposals exceeding the authority of the CCO will be submitted to the Group Chief Executive Officer ("**CEO**"), Chairman and/or the Board Credit Committee for approval. The Bank has separate approval processes for its wholesale and retail businesses.

Commercial Lending

All credit applications are subject to the Bank's credit policies, credit limits, underwriting standards and industry caps (if any) and to regulatory requirements, as applicable from time to time.

Credit applications typically include the following information: the risk rating of the borrower; transaction details (including the amount and type of facility sought and pricing); the relevant credit conditions of the borrower; the security details of the borrower; information relating to the operating condition, business and management of the borrower, including a detailed financial analysis, background/historical information relating to the borrower, and related industry factors. The Bank sets credit limits for all borrowers and/or counterparties based on their creditworthiness.

The Bank has implemented a credit risk rating framework that supports the development of key credit risk parameter estimates in order to measure credit and transaction risk. In 2016, the Bank partnered with Moody's Risk Analytics to perform a Basel internal ratings-based compliant redevelopment and model validation exercise. Rating models for midsized and large corporates were subsequently refreshed in 2021. The risk parameters used in the new risk rating models are transparent and may be replicated in order to provide consistency of credit approval, as well as providing minimum lending standards for each of the risk rating categories. The Bank's credit risk rating system is subject to a model governance and review

framework stipulates periodic validation and continuous monitoring of key performance indicators for these models. The objectives of this framework are to ensure that credit risk rating methodologies and parameters remain appropriately designed and developed, independently validated, and regularly reviewed. Credit risk rating models, however, remain subject to model risk due to their statistical nature and the data limitations. These models are developed by the Enterprise Risk Management team under the umbrella of the Chief Risk Officer ("CRO") and the CCO team is also closely involved in the development of credit risk rating models.

All credit lines or facilities extended by the Bank are approved within delegated authorities under the ultimate authority of the Board Credit Committee.

The Bank has established country limits for cross-border and transfer risk between countries. Individual country limits are defined based on a detailed Country and transfer risk policy, defining acceptable country credit risk exposure and evaluating and controlling cross-border risk. These limits are regularly reviewed by the Bank's credit risk management and periodically reviewed by the Enterprise Risk Committee. The Bank uses an international risk rating system to differentiate between the quality of various sovereign risks.

The Bank has diversified its exposure to avoid concentration risk. However, growth in exposure in some international jurisdictions with a higher risk profile than the UAE could have a material impact on Bank's results.

Retail Lending

Each retail credit application is considered for approval according to a product programme, which is devised in accordance with the product policy parameters approved by the CCO. The product policies are guided by the overarching Retail Credit Policy Manual, which is approved by the Bank's Board Risk Committee. Different authority levels are specified for approving product programmes and exceptions to, and individual loans/credits under, product programmes. Each product programme contains detailed credit criteria (for example credit score, repayment history, extent of indebtedness, current exposure, age, residency, etc.) and regulatory, compliance and documentation requirements, as well as other operating requirements. Credit approval authority levels range from Level 1 (approval of a credit application meeting all the criteria of an already approved product programme) to Level 5 which are approvals authorised by the CCO.

Credit Review Procedures and Loan Classification

Specialists within the Enterprise Risk Management (Fundamental Credit Review) and Internal Audit groups undertake regular reviews of the Bank's portfolio. This involves a sampling of assets in the wholesale portfolio. In retail, the focus is on testing the Bank's risk management processes, including the periodic review of retail assets, portfolio quality and related provisions. Specialist independent auditors subject the Bank's risk assets to a quality evaluation on a regular basis. Reviews are conducted in conformity with the guidelines of the UAE Central Bank and the Bank's internal policies in order to assist in the early identification of accrual and potential performance problems. The specialists validate risk ratings of those commercial and institutional clients and ensure approved credit policies, guidelines and operating procedures across the Bank are implemented, or highlight identified gaps in their reports.

The Fundamental Credit Review and Internal Audit function provides the Bank's management and the Board of Directors with an independent and objective assessment as well as ongoing monitoring of the quality of asset portfolios across the Bank. It is an important component of the Bank's enterprise-wide risk management framework designed to assist the Bank's management in ensuring that asset portfolios are managed in a manner consistent with strategy, risk appetite, sound qualitative and quantitative credit due diligence, emerging risks, credit policies and applicable credit regulatory requirements.

Loan Classification

The Bank has in place a risk rating system for its wholesale borrowers based on probability of default models. An application and behavioural scorecard has also been developed for the Bank's principal retail products.

The Bank's master risk rating scale is comprised of twenty-five grades (MRS1 to MRS25) and encompasses material asset portfolios of the Bank. Risk ratings are granularly defined and, as they are based on specific models for specific segments, are comparable across the entire portfolio.

While the Bank has adopted the risk rating system, it continues to ensure that its policies remain compliant with UAE Central Bank regulations. The Bank's portfolio of non-performing loans (obligations which are more than 90 days past due for principal or interest) continue, however, to be classified as either Non-Accrual Under Restructuring, Sub-standard, Doubtful or Loss, as required by applicable UAE Central Bank regulations. The UAE Central Bank requires the following classification policy:

- **Watchlist:** These are loans and advances, including Islamic financing, where the borrower shows some weaknesses in its financial condition and credit-worthiness requiring focused attention but not allocation of provisions;
- **Sub-standard loan:** These are loans which may lead to the Bank incurring some loss due to adverse factors (financials, economic, legal, political, or managerial) which may hinder repayment, or due to weakening of security. Normally, this category includes loans and advances in which payment of principal is in arrears beyond 90 days. In such a case, a provision of 25 per cent. of the total loan balance is required;
- **Doubtful loan:** These are loans the full recovery of which seems doubtful on the basis of information available, leading generally to a loss of part of these loans (when the financial position of the customer is not sound and securities are not sufficient). In such a case, a provision of 50 per cent. of the total loan balance is required; and
- **Loss loan:** These are loans where the Bank has exhausted all courses of action available but failed to recover anything or where there is a possibility that nothing will be recovered. In such a case, a provision of 100 per cent. of the total loan balance is required.

(Note: The specific provisions as above are to be based on the Net Exposure Amount, that being the Outstanding Loan balance less the Net Realisable Value of the collateral held calculated as per the UAE Central Bank guidelines).

Provisions

The Bank's policy for the calculation of impairment provisions for loans and advances complies in all material respects with the specific and general provision requirements of the UAE Central Bank. Additionally, in line with the UAE Central Bank guidelines, all banks operating in the UAE are required, in addition to the specific provisions, to build a general provision for unclassified loans and advances equal to 1.5 per cent. of risk weighted assets. The Bank currently maintains a general provision of 1.6 per cent. of its total gross loan portfolio, including Islamic financing. As at 31 December 2023, the Bank had specific impairment allowances for loans of AED 1,912 million in addition to a collective impairment allowance of AED 2,525 million of which, AED 1,130 million is held in impairment reserve - general.

Impairment allowance requirements in respect of classified assets (under the Bank's internal risk classification) broadly follow the following guidelines for the Bank's exposure:

Category	Provision (%)
Sub-standard	25
Doubtful	50
Loss.....	100

Retail banking products are provisioned in accordance with UAE Central Bank regulations. The Bank writes off retail assets (excluding mortgages) once they are 180 days past their due date. Retail mortgage loans are provided in line with UAE Central Bank regulation, which mandates provisioning from 90 days past due calculated on discounted loan-to-value based on current valuation. Loss, given default and expected loss metrics have also been developed for the major retail products.

In addition to the above and in accordance with UAE Central Bank guidance notes to banks and finance companies, the Bank also measures general provisions under International Financial Reporting Standard 9 ("IFRS 9") rules. IFRS 9 outlines a 'three-stage' risk-based model for calculation of impairment based on changes in credit quality since initial recognition of a facility. As required by UAE Central Bank guidelines, the Bank takes the higher of the loan loss provisions required under IFRS 9 and UAE Central Bank regulations.

In adopting prudent credit review and risk management procedures, the Bank seeks to maintain tight control over its loan portfolio to manage credit costs effectively and to minimise unexpected losses.

The Bank also has a dedicated collection and recovery team for all delinquent retail lending, which commences collection efforts between one and 30 days after the first default. More focussed recovery efforts are initiated when a loan has been delinquent for more than 90 days. For the wholesale portfolio, the Bank has a separate unit, the Special Asset Unit, which is responsible for handling non-performing commercial loans with a view to ensuring maximum recovery for the Bank. In addition, the Bank's legal department is fully involved throughout the remedial process, initiating appropriate legal action where necessary.

Impact of the New IFRS 9 Impairment Guidelines

International Financial Reporting Standards

In January 2018, the Bank adopted the IFRS 9 standard, which resulted in changes to the Bank's presentations and disclosure in its financial statements, as required by IFRS. This has fundamentally redesigned the provisioning process, moving from an 'incurred loss' model to a forward-looking 'expected loss' model. The standard contains a 'three stage' approach to recognise credit impairment, which is based on the changes observed in credit quality of financial assets since initial recognition. Assets move through the three stages as credit quality changes and the stages dictate the level of impairment losses to be recognised. For the recognition of impairment losses on financial assets, expected loss is to be computed.

Doubtful and Loss Accounts – Customers

The following table shows the Bank's non-performing loans, including Islamic financing, and related provisions and ratios as at 31 December 2023 and 31 December 2022:

	As at 31 December 2023	As at 31 December 2022
	<i>(AED millions)</i>	
Gross loans.....	113,329	95,085
Interest / other income in suspense.....	502	749
Impairment allowance for doubtful loans.....	2,472	4,033
Total allowance for impairment.....	2,974	4,782
Non-performing loans.....	1,958	2,862
Gross non-performing loans to gross loans ratio ⁽¹⁾	1.3	2.3
Loan loss coverage ratio ⁽²⁾	247	191

⁽¹⁾ Does not include interest in suspense

⁽²⁾ Including AED 1,130 million held in Impairment reserve – general.

The Bank charges interest on most non-performing accounts for litigation purposes but does not record such accrued income with respect to non-performing accounts as income in preparing its financial statements. The Bank writes off certain loans against provisions held, in order to streamline its loan portfolio and in the year ended 31 December 2023, the Bank wrote off AED 561 million from classified accounts which had been provisioned.

Doubtful and Loss Accounts – Banks

The following table shows the Bank's non-performing assets and related provisions and ratios as at 31 December 2023 and 31 December 2022:

	As at 31 December 2023	As at 31 December 2022
	<i>(AED millions)</i>	
Loans and advances to banks (gross).....	39,266	29,175
Non-performing bank assets.....	10	25
Impairment allowance for bank assets.....	139	121
Non-performing bank assets/total due from bank (per cent.).....	0.02	0.09
Total impairment allowance/non-performing bank assets (per cent.).....	1,431.6	480.0

Investment Portfolio

As at 31 December 2023, the Bank's investment portfolio represented 15.2 per cent. of its total assets (compared with 13.8 per cent. as at 31 December 2022).

The equity holdings of the Bank constituted 2.2 per cent. of the Bank's investment portfolio as at 31 December 2023 (compared with 2.9 per cent. as at 31 December 2022). Debt securities held by the Bank include securities issued by banks, GCC and OECD sovereigns, as well as a range of other high-grade and other bonds.

Deposits and Other Funding Sources

As at 31 December 2023, customer deposits constituted 70.1 per cent. of the Bank's total liabilities (compared with 65.9 per cent. as at 31 December 2022).

In February 2004, the Bank established a Euro Medium Term Note Programme (the "EMTN Programme"). The size of the EMTN Programme was increased from U.S.\$750 million to U.S.\$2 billion in March 2006 and increased again to U.S.\$5 billion in September 2010.

In 2022, the Bank issued 4 private placements for a total of U.S.\$38.1 million. In 2023, the Bank issued 4 private placement notes for a total of U.S.\$113 million.

The following table sets out the maturity profile of the Bank's liabilities as at 31 December 2023 and 31 December 2022:

	As at 31 December 2023		As at 31 December 2022	
	(AED million)	Per cent.	(AED million)	Per cent.
Short-term ⁽¹⁾	193,701	92.8	161,633	93.6
Long-term ⁽²⁾	14,962	7.2	11,104	6.4
Total	208,663	100	172,737	100

⁽¹⁾ Short-term means deposits maturing in less than one year, and other liabilities.

⁽²⁾ Long-term means deposits and borrowing maturing in more than one year.

Market Risk Management

The Bank's exposure to market risk in investments and other trading products is monitored and controlled on a regular basis by the Bank's Market and Traded Credit Risk Unit under the Risk Management division using detailed management information reports. TCM stipulates individual dealer position and trading limits in treasury-managed activities within the overall regulatory guidelines and according to the Bank's internal frameworks and risk appetite. Cross-border and financial institutions exposure limits for money market and other banking activities are approved in accordance with guidelines set out in the Bank's credit policy and within the Bank's defined risk appetite framework.

A key element in market risk management is the estimation of potential loss that may arise from adverse changes in market conditions. To estimate such potential loss, the Bank implemented a Value at Risk ("VaR") model which is being used to set VaR-based limits with respect to market risk. The VaR model considers variables that may affect portfolio value such as interest rates, foreign exchange rates and security prices and their respective volatilities, and the correlations between these variables. The VaR estimates take account of potential diversification benefits of different positions both within each and across different portfolios.

Liquidity Risk Management

The Bank manages its liquidity in accordance with UAE Central Bank requirements and its own internal guidelines. The UAE Central Bank sets cash reserve requirements on deposits, which are currently 1 per cent. on time deposits and 14 per cent. on current, savings and call deposits. However, as noted under "The United Arab Emirates Banking System and Prudential Regulation – Covid-19" below, as part of the UAE Central Bank's stimulus package in response to COVID-19, the minimum reserve requirement for all current, call and savings deposits was decreased from 14 per cent. to 7 per cent but was subsequently

increased to 11 per cent. in 2023. The UAE Central Bank also imposes a mandatory 1:1 utilisation ratio whereby loans and advances (combined with interbank placements having a remaining term of greater than three months) should not exceed stable funds. Stable funds are defined by the UAE Central Bank to mean free own funds, interbank deposits with a remaining term of more than six months and stable customer deposits. To guard against liquidity risk, the Bank has diversified its funding sources and manages its assets with liquidity in mind, seeking to maintain a balance of cash, cash equivalents and readily marketable securities. ALCO sets and monitors liquidity ratios and regularly revises and updates the Bank's liquidity management policies to ensure that the Bank is in a position to meet its obligations as they fall due.

The following table sets forth a number of liquidity ratios for the Bank as at 31 December 2023 and 2022:

Liquidity Ratios	As at 31 December 2023	As at 31 December 2022
Customer deposits/total funding base.....	74	70.0
Net loans/customer deposits.....	75.5	79.3
Net loans/total assets.....	46.0	45.8

Interest Rate Risk Management

Interest rate risk arises from the possibility that changes in interest rates will affect the value of financial instruments. The Bank is exposed to interest rate risk as a result of mismatches or gaps in the amounts of assets and liabilities.

The Bank uses simulation-modeling tools to periodically measure and monitor interest rate sensitivity. The results are analysed and monitored by ALCO. Most of the Bank's assets and liabilities are of a floating rate nature and therefore the price of both assets and liabilities move simultaneously, providing a natural hedge and reducing interest rate exposure. Moreover, the majority of the Bank's assets and liabilities reprice within one year, thereby further limiting interest rate risk.

Currency Risk Management

The UAE dirham is the Bank's functional currency. The majority of the Bank's assets and liabilities are denominated in UAE dirham or U.S. dollars. As a result, limited structural cross-currency foreign currency exposure exists. However, as at 31 December 2023, the Bank maintained a long U.S. dollar position of AED 15 billion, which is within limits approved by ALCO. The Bank's other net foreign exchange exposure was not significant.

See Note 43 to the 2023 Financial Statements.

Internal Audit

The Internal Audit Group of the Bank provides independent assurance on the effectiveness of lending and risk management processes. The Group verifies that the credit facilities provided adhere to the Bank's internal policies and regulatory guidelines. It also reviews the processes associated with portfolio monitoring, know your customer (KYC), operating procedures and adherence to *Shari'a* compliance guidelines, as applicable. For commercial and institutional clients, it further includes credit initiation, approval, account management and the risk rating assigned to the borrower. For the retail customers, the audit team also assesses the processes to highlight portfolio risk by product and segment.

Competition

As at 31 December 2023, the Bank was the fifth largest local bank in the UAE in terms of total assets (see "*Ranking by Total Assets*" below). The Bank competes principally with other commercial banks in the UAE, but also faces competition from regional and international banks and investment companies.

The following tables show rankings of local banks operating in the UAE by total assets, customer deposits, total loans and advances and retail loans and advances as at 31 December 2023 and 31 December 2022:

Ranking by Total Assets	As at 31 December 2023	As at 31 December 2022
	<i>(AED millions)</i>	
First Abu Dhabi Bank	1,168,633	1,110,056

Ranking by Total Assets	As at 31	As at 31
	December 2023	December 2022
	<i>(AED millions)</i>	
Emirates NBD	862,773	741,962
Abu Dhabi Commercial Bank	567,194	497,842
Dubai Islamic Bank	314,292	288,238
Mashreqbank	239,981	197,245
Abu Dhabi Islamic Bank	192,827	168,517

Source: Annual reports and financial statements of the relevant banks as at and for the year ended 31 December 2023.

Ranking by Customer Deposits	As at 31	As at 31
	December 2023	December 2022
	<i>(AED millions)</i>	
First Abu Dhabi Bank	759,863	700,573
Emirates NBD	584,561	502,953
Abu Dhabi Commercial Bank	362,905	308,931
Dubai Islamic Bank	222,054	198,637
Abu Dhabi Islamic Bank	157,067	138,137
Mashreqbank	146,232	113,806

Source: Annual reports and financial statements of the relevant banks as at and for the year ended 31 December 2023.

Ranking by Loans and Advances	As at 31	As at 31
	December 2023	December 2022
	<i>(AED millions)</i>	
First Abu Dhabi Bank	483,954	459,593
Emirates NBD	445,105	416,604
Abu Dhabi Commercial Bank	301,995	258,493
Dubai Islamic Bank	199,453	238,271
Abu Dhabi Islamic Bank	115,002	107,717
Mashreqbank	110,355	90,303

Source: Annual reports and financial statements of the relevant banks as at and for the year ended 31 December 2023.

Property

The Bank owns a multi-storey building in Dubai as its corporate headquarters. The Bank also owns buildings in Abu Dhabi, Ajman and Dubai, each of which is partially occupied by the Bank. The total cost of real property assets owned by the Bank as at 31 December 2023 was AED 1,191 million with accumulated depreciation of AED 311 million, giving a net book value of the Bank's real estate assets as of such date of AED 880 million. The Bank also owns property that it acquired in the settlement of debt. As at 31 December 2023, the book value of such property was AED 0.4 million.

Capital Expenditure

For the period ended 31 December 2023, the Bank incurred capital expenditure amounting to AED 145 million and for the year ended 31 December 2022, the Bank incurred AED 146 million of capital expenditure.

Capital Adequacy

The UAE Central Bank, as per Basel III guidelines requires all UAE banks to maintain a minimum total capital adequacy ratio, calculated as the sum of Tier 1 Capital and Tier 2 Capital, of 10.5 per cent. Effective from 1 January 2019, within this minimum capital adequacy ratio, banks are required to maintain a 7 per cent. minimum Common Equity Tier 1 ratio and an 8.5 per cent. minimum Tier 1 Capital ratio. Additionally, banks are required to maintain a 2.5 per cent. Capital Conservation Buffer, as per transitional arrangement. The total capital adequacy ratio including Capital Conservation Buffer comes to 13 per cent.

As at 31 December 2023, the Bank had a total capital adequacy ratio of 16.51 per cent., a Tier 1 Capital ratio of 14.34 per cent. and a Tier 2 Capital ratio of 2.2 per cent., which were all above the minimum UAE Central Bank requirements. The Bank's capital management is aimed at maintaining an optimum level of capital to enable it to pursue strategies that build long-term shareholder value, whilst always meeting minimum regulatory capital adequacy ratio requirements.

Leverage and Liquidity

Basel III introduced a minimum 3 per cent. leverage ratio effective 30 June 2020 and two liquidity ratios, Liquidity Coverage Ratio ("**LCR**") and Net Stable Funding Ratio ("**NSFR**").

LCR requires a bank to hold sufficient high-quality liquid assets to cover its total net cash flows over a 30 day stress-testing period. Banks are required to maintain a minimum LCR ratio of 100 per cent. from 1 January 2019. The Bank's LCR ratio as at 31 December 2023 was 133.5 per cent.

Anti-Money Laundering Policy

The Bank has implemented an Anti-Money Laundering ("**AML**") programme that is designed to comply with all applicable local laws, regulations and guidance relating the prevention of money laundering, terrorist financing and related financial crimes. The AML programme includes, *inter alia*, written policies and procedures, a designated Money Laundering Reporting Officer, regular training of relevant employees of the Bank and independent testing of the programme. The Bank operates automated systems and manual monitoring to detect potential suspicious activities which are subject to external reporting obligations to appropriate supervisory agencies in accordance with all applicable laws. The Bank continuously strengthens its AML programme by updating written policies, procedures and internal controls designed to prevent, detect and mitigate all applicable financial crime risks. For further detail regarding the Bank's AML programme, see "*Regulatory – 2018 Consent Order*" below.

Regulatory

2021 Consent Order

In 2021, the Bank reached a resolution with the New York State Department of Financial Services (the "**DFS**"), the Federal Reserve Board of Governors and Federal Reserve Bank of New York (the "**Fed**") and the U.S. Department of the Treasury's Office of Foreign Assets Control ("**OFAC**") regarding violations of OFAC's Sudanese Sanctions Regulations for the period between January 2005 and February 2009. Pursuant to a Consent Order entered into by the Bank and the DFS (the "**2021 Consent Order**"), the Bank has agreed to pay the DFS a total of U.S.\$100 million over a two-year period. In contrast, by reference to the same transaction activity, the Fed and OFAC did not impose a financial penalty on the Bank.

The 2021 Consent Order and the resolutions reached with the Fed and OFAC address findings relating to the Bank's processing of U.S dollar payments through U.S. correspondent banks originating from accounts of Sudanese banks held outside the United States, a practice that the Bank self-terminated in February 2009. As noted by the DFS in the 2021 Consent Order, the Bank fully cooperated with the DFS during its investigation into these matters, including by reporting on the results of its internal investigation of such matters, and that the Bank had on its own initiative undertaken significant remediation to prevent similar events from recurring. The DFS also noted that the Bank had demonstrated a commitment to building an effective and sustainable OFAC compliance programme, which the DFS deemed adequate with sufficient controls in place. Both the 2021 Consent Order and the resolution with the Fed impose certain post-settlement reporting obligations, including a requirement by the Fed to retain an independent consultant to conduct an OFAC compliance review.

Dialogue with a US agency regarding the same matter is ongoing and, based on legal advice, it is premature at this stage to determine if the Bank is likely to be subject to any further penalty or the quantum of any such penalty.

2018 Consent Order

In 2018, the Bank reached a settlement with certain U.S. authorities regarding U.S. sanctions compliance in the period 2016 to 2017, involving a Consent Order by the DFS (the "**2018 Consent Order**"). Under the terms of the 2018 Consent Order, the Bank has agreed to pay the DFS a total of U.S.\$40 million.

The 2018 Consent Order addresses findings related to Anti-Money Laundering and Bank Secrecy Act violations as well as regulations issued by OFAC as relates to the activities of the New York Branch of the Bank, which provides U.S. dollar clearing services.

The 2018 Consent Order did not specify any wilful violations by the Bank. In particular, it was noted in the 2018 Consent Order that the Bank has demonstrated a keen interest in and commitment to, remediating its

regulatory issues addressed in the 2018 Consent Order and has demonstrated laudable conduct in seeking to meet its compliance obligations.

The Bank is committed to establishing and maintaining appropriate and effective Anti-Money Laundering, Bank Secrecy Act and sanctions compliance policies. The Bank has worked with the DFS-appointed consultant on the remediation and improvement of all Anti-Money Laundering, Bank Secrecy Act and sanctions compliance policies, procedures, methodologies and systems. The Bank has enhanced and implemented: (i) a Bank Secrecy Act, Anti-Money Laundering and Sanctions Program Manual; (ii) KYC Policy and Standard Operating Procedures; (iii) Transaction Monitoring Standard Operating Procedures; (iv) Quality Assurance Methodology and Standard Operating Procedures; (v) Customer Risk Assessment Methodology and Form; (vi) Geographic Risk Assessment Methodology; (vii) Training Policy; (viii) DFS Part 504 Procedures; (ix) Sanctions Standard Operating Procedures; and (x) Anti-Money Laundering Tuning Methodology. The Bank continues to evaluate and enhance its sanctions screening system "Fircosoft" and transaction monitoring system "Actimize".

Tax

Pursuant to the Corporate Tax Law (see "*Risk Factors – Tax changes in the UAE may have an adverse effect on the Bank*"), the Bank is subject to corporate tax. A 9% corporate tax rate applies to taxable income above AED 375,000, while a rate of 0% applies to taxable income not exceeding AED 375,000. The first tax period that the Corporate Tax Law is applicable to the Bank commenced on 1 January 2024. The Bank is not otherwise subject to tax in the UAE. The Bank may be subject to tax in other jurisdictions where it operates.

Subsidiaries

As at 31 December 2023, the Bank had 16 direct subsidiaries which included: Sukoon Insurance (PJSC), Osool-A Finance Company (PJSC), Mindscape FZ LLC, Mashreq Securities LLC, Mashreq Al-Islami Finance Company (PJSC), Injaz Services FZ LLC, Mashreq Capital (DIFC) Limited, Invictus Limited, Al Taqania Employment Services One Person LLC, Al Kaafat Employment Services One Person Company LLC, Shorouq Commodities Trading DMCC, IDFAA payment Services LLC, Mashreq Global Network & Mashreq Global Services (SMC Private) Limited, Mashreq Bank Pakistan Limited, Mashreq Neo venture.

Sukoon Insurance (PJSC)

Sukoon Insurance (PJSC) is 64.76 per cent. owned by the Bank and is the largest insurance company in the UAE. It provides a wide range of insurance products and services. As at 31 December 2023, it had total assets of AED 8,778 million, compared with total assets of AED 9,240 million as at 31 December 2022. In the year ended 31 December 2023, Sukoon Insurance (PJSC) contributed net income of AED 158 million to the Bank (after non-controlling interests), compared with contributed net income of AED 144 million for the year ended December 2022.

Osool-A Finance Company (PJSC)

The Bank owns 100 per cent. of the shares of Osool-A Finance Company (PJSC) ("**Osool**"), a consumer finance company. As at 31 December 2023, it had total assets of AED 168 million, compared with total assets of AED 166 million as at 31 December 2022. In the year ended 31 December 2023, Osool generated AED 2.3 million of net income, compared with net income of AED 1.6 million in the year ended 31 December 2022. Currently no new business is booked in Osool-A Finance Company.

Mindscape FZ-LLC

The Bank owns 100 per cent. of the shares in Mindscape FZ-LLC ("**Mindscape**"), which provides technology solutions and support to the Bank and its subsidiaries. As at 31 December 2023, Mindscape had total assets of AED 192 million, compared with total assets of AED 167 million as at 31 December 2022. In the year ended 31 December 2023, Mindscape generated net income of AED 21 million (after non-controlling interests), compared with AED 14.9 million in the year ended 31 December 2022.

Mashreq Securities LLC

The Bank owns 100 per cent. of the shares in Mashreq Securities LLC ("**Mashreq Securities**"), a securities brokerage which is authorised to trade on the Dubai Financial Market and Abu Dhabi Finance Market. As

at 31 December 2023, Mashreq Securities had total assets of AED 72 million, compared with total assets of AED 69 million as at 31 December 2022. In the year ended 31 December 2023, Mashreq Securities generated a net income of AED 3.6 million compared with AED 5.3 million in the year ended 31 December 2022.

Mashreq Al-Islami Finance Company (PJSC)

The Bank owns 99.8 per cent. of the shares of Mashreq Al Islami Finance Company (PJSC) which provides *Shari'a*-compliant finance for personal consumer and commercial purposes. As at 31 December 2023, it had assets of AED 1,110 million compared with total assets of AED 1,219 million as at 31 December 2022 and made a net profit of AED 51 million (after the non-controlling interest) compared with AED 24 million in the year ended 31 December 2022.

Mashreq Capital (DIFC) Limited

The Bank owns 100 per cent. of the shares in Mashreq Capital (DIFC) Limited ("**Mashreq Capital**") which runs fixed income funds in the DIFC. As at 31 December 2023, Mashreq Capital had total assets of AED 27 million.

Injaz Services FZ LLC

The Bank owns 100 per cent. of the shares in Injaz Services FZ LLC ("**Injaz**"), which is registered in the Dubai Outsourcing Zone and acts as the business processing outsourcing unit of the Bank.

Invictus Limited

The Bank owns 100 per cent. of shares of Invictus Limited a special purpose vehicle incorporated in the Cayman Islands. As at 31 December 2023, Invictus Limited had total assets of AED 4,973 million.

Al Taqania Employment Services One Person Company LLC

The Bank owns 100 per cent. of the shares in Al Taqania Employment Services One Person Company LLC (formerly known as Al Taqania Employment Services (LLC)), which provides employment services, such as secretarial, sales, telephonic, answering service, data processing, data entry, collections, recovery and marketing services. As at 31 December 2023, the company had assets of AED 0.9 million.

Al Kaafat Employment Services One Person Company LLC

The Bank owns 100 per cent. of the shares in Al Kaafat Employment Services One Person (LLC) (formerly known as Al Kafaat Employment Services (LLC)), which provides employment services, such as secretarial, sales, telephonic, answering service, data processing, data entry, collections, recovery and marketing services. As at 31 December 2023, the company had assets of AED 0.5 million.

Shorouq Commodities Trading DMCC

The Bank owns 100 per cent. of the shares of Shorouq Commodities Trading DMCC, a trading company incorporated in the DMCC free zone. Primary activities of the company include trading of refined oil, petrochemicals, steel and metal products. As at 31 December 2023, the company had assets of AED 96 million.

IDFAA payment Services LLC

The Bank owns 100 per cent. of the shares of IDFAA Payment Services LLC which provides payment services for the Bank.

Mashreq Global Network

The Bank owns 100 per cent. of the shares of Mashreq Global Network, which provides employment services in Egypt.

Mashreq Global Services (SMC Private) Limited

The Bank owns 100 per cent. of the shares of Mashreq Global Services (SMC Private) Limited, which provides employment services in Pakistan.

Mashreq Bank Pakistan Limited

The Bank owns 100 per cent. of the shares of Mashreq Bank Pakistan Limited, which will be providing digital banking services in Pakistan.

Mashreq Neo venture

The Bank owns 100 per cent. of the shares of Mashreq Neo venture, which provides corporate venture capital company services in the UAE.

Associate

As at 31 December 2023, the Bank had one Associate which is Emirates Digital Wallet LLC.

The Bank owns 23.61 per cent. of the shares of Emirates Digital Wallet LLC, which provides digital wallet services in the UAE.

Joint Venture

As at 31 December 2023, the Bank had one Joint Venture which is Noon Digital Pay LLC.

The Bank owns 51.00 per cent. of the shares of Noon Digital Pay LLC, which provides digital wallet services in the UAE.

Recent Developments

The following information provides an update as to the Bank's financial performance as at, and for the three-month period ended 31 March 2024 and contains financial information from the Bank's unaudited consolidated interim financial information as at, and for, the three-month period ended 31 March 2023.

The Bank's total assets as of 31 March 2024 were AED 249,591.7 million, compared to AED 201,233.5 million as of 31 March 2023, representing an increase of 24.0 per cent. This was primarily as a result of an increase in loans and advances.

The Bank's cash and balances with central banks as of 31 March 2024 were AED 35,377.5 million, compared to AED 33,810.3 million as of 31 March 2023, representing an increase of 4.6 per cent.

The Bank's loans and advances and Islamic financing and investment products measured at amortised cost (net) as of 31 March 2024 were AED 110,483.9 million compared to AED 91,109.5 million as of 31 March 2023, representing an increase of 21.3 per cent. This was primarily as a result of growth in corporate loans and in retail banking products.

The Bank's customers' deposits (including Islamic deposits) as of 31 March 2024 were AED 155,498.2 million, compared to AED 120,161.9 million as of 31 March 2023, representing an increase of 29.4 per cent.

The Bank's net interest income and income from Islamic products net of distribution to depositors for the three months ended 31 March 2024 were AED 2,144.1 million, compared to AED 1,746.3 million for the three months ended 31 March 2023, representing an increase of 22.8 per cent. This was primarily as a result of growth in loans, higher current account balances in deposits supported by higher interest rates compared to 2023.

The Bank's profit for the three months ended 31 March 2024 was AED 2,041.1 million, compared to AED 1,634.4 million for the three months ended 31 March 2023, representing an increase of 24.9 per cent. This was primarily the result of higher revenue for the three months ended 31 March 2024 partially offset by higher tax (due to introduction of the UAE corporate income tax regime).

MANAGEMENT AND EMPLOYEES

Board of Directors

The Bank operates under the direction of a Board of Directors which meets six times a year. The Board of Directors comprises seven elected members and is vested with the powers to manage the Bank and conduct its business in accordance with its objects and with Federal Law No. 2 of 2015, as amended, concerning commercial companies of the UAE, the Bank's articles of association and resolutions of the shareholders. Two of the seven directors are independent directors. All directors are non-executive directors. The Board of Directors is elected as a body by the shareholders in an ordinary general meeting for a term of three years and each Director is eligible for re-election upon the expiration of that term. The Chairman and the Vice Chairman of the Bank are elected by the Board of Directors. The Board of Directors appoints a Chief Executive Officer who is responsible for implementing board resolutions and managing the day-to-day business of the Bank, although the overall responsibility for the direction and strategy of the business of the Bank remains vested in the Board of Directors.

The following table sets forth the names of the members of the Bank's Board of Directors:

Name	Position
Abdul Aziz Abdulla Al Ghurair	Chairman
Mariam Ghobash.....	Director
Rashed Saif Ahmad Al Ghurair.....	Director
Ahmad Al Khallafi	Director
John Iossifidis.....	Director
Iyad Malas.....	Director
Saeed Saif Al Ghurair	Director

Detailed below is brief biographical information on the members of the Bank's Board of Directors.

H.E. Abdul Aziz Abdulla Al Ghurair

Chairman

With over 30 years of experience in banking and finance, H.E. Abdul Aziz Abdulla Al Ghurair has been a member of the Bank's Board of Directors for over 25 years and was appointed as Chairman of Mashreqbank in 2019. He holds an Honours' Degree in Industrial Engineering from California Polytechnic State University, U.S.

External Appointments:

- Chairman – Sukoon Insurance (PJSC)
- Chairman – Dubai Chamber of Commerce & Industry
- Chairman – UAE Banks Federation
- Governing Council Member – Global Muslim Philanthropy Fund for Children in partnership with UNICEF and Islamic Development Bank
- Chairman – Abdul Aziz Al Ghurair Refugee Education Fund
- Chairman – Masafi LLC
- Chairman - Abdullah Al Ghurair Education Foundation

- Emeritus Chairman and Board Member - Family Business Council-Gulf
- Vice Chairman – Al Ghurair Holding Limited
- Vice Chairman – Al Ghurair Investment Co. LLC

Ms. Mariam Ghobash

Director

Ms. Ghobash was appointed to the Bank's Board of Directors in 2024. She has more than 15 years of experience in the financial sector. She was the Director of the Global Special Situations Department at the Abu Dhabi Investment Council and previously held board memberships at Al Hilal Bank, National Bank of Abu Dhabi and Al Dar Properties. She was also previously the Vice Chairman of the Abu Dhabi Investment Council. Ms. Ghobash holds a Bachelor of Science in Economics from the Wharton School at the University of Pennsylvania, U.S. and has completed the General Management Program at Harvard Business School at Harvard University, Boston, U.S.

External Appointments:

- Board Member – Etisalat
- Board Member – Emirates Development Bank
- Board Member – Adnoc Distribution Co.
- Board Member – Gulf Capital

Mr. Saeed Saif Al Ghurair

Director

Mr. Saeed Saif Al Ghurair joined the Bank's Board of Directors in 2021 and holds a degree in Mechanical Engineering from Northeastern University, Boston, U.S. He is Chairman of the Board Nomination and Compensation Committee at the Bank.

External Appointments:

- CEO – Al Ghurair Commodities
- Board Member – Al Ghurair Group LLC
- Board Member – Dubai Chamber of Commerce
- Board Member – Taghleef Industries

Mr. John Iossifidis

Director

Mr. John Iossifidis was appointed to the Bank's Board of Directors in 2021. Mr. Iossifidis is a highly respected, award-winning executive with over 35 years of financial sector experience, leading large multinational and regional institutions across the Middle East and Asia Pacific, and holds an MBA from Monash University, Australia. Mr. Iossifidis formerly served as the CEO of Noor Bank.

External Appointments:

- CEO – Al Ghurair Investment LLC
- Member – Australian Institute of Company Directors
- Member – Australian Business Council

- Fellow – Australian Institute of Bankers
- Senior Independent Director – Hellenic Bank Public Company Ltd in Cyprus

Mr. Iyad Malas

Director

Mr. Iyad Malas was appointed to the Bank's Board of Directors in 2021. He is a seasoned executive with over 30 years of experience in various senior roles, spanning many countries and industries, including real estate, retail, leisure & entertainment, financial services and investments, and holds an MBA from George Washington University, U.S. Mr. Malas formerly served as the CEO of Majid Al Futtaim Holding.

External Appointments:

- CEO – Al Ghurair First Group LLC
- Board Member – National Cement Company PJSC
- Board Member – Tim Hortons Middle East

Mr. Ahmad Al Khallafi

Director

Mr. Ahmad Al Khallafi was appointed to the Bank's Board of Directors in 2024. He has held senior positions at Emirates Post Group and was part of the team that launched Emirates Integrated Telecommunications Company PJSC (known as "du"). Mr. Al Khallafi holds a Bachelor of Engineering in Communication Engineering from Khalifa University, Abu Dhabi, UAE and is an alumni of the Sheikh Mohammed bin Rashid Program for Leadership Development.

External Appointments:

- Managing Director – Hewlett Packard Enterprise, UAE and Africa
- Board Member – Dubai International Chamber

Mr. Rashed Saif Ahmed Al Ghurair

Director

Mr. Rashed Saif Ahmed Al Ghurair was appointed to the Bank's Board of Directors in 2013.

External Appointments:

- Chairman – National Cement Company PJSC
- Chairman – Taghleef Industries (LLC)
- Managing Director – Al Jazeera Petrochemicals
- Board Member – Saif Al Ghurair Investment
- Board Member – Al Ghurair Iron and Steel AGIS
- Board Member – Taweelah Aluminium Company, TALEX

Conflicts

There are no potential conflicts of interest between the duties to the Bank of the Directors of the Bank listed above and their private interests or other duties.

Management Team

Management of the day-to-day operations of the Bank is the responsibility of the Management Team. The Management Team meets regularly to discuss the business strategy, business plans and performance, investment strategy and operations of the Bank and submits recommendations to the Board of Directors.

The following table sets forth the names of the senior officers of the Bank who comprised the Management Team as at the date of this Base Prospectus.

Name	Position
Ahmed Abdelaal	Group Chief Executive Officer
Norman Tambach	Group Chief Financial Officer
Tarek El Nahas	Group Head of International Banking
Fernando Morillo Lopez	Group Head of Retail Banking
Hassan Ali	Group Head of Internal Audit
Hammad Naqvi	Group Head of Treasury and Capital Markets
Roy Philip Sebastian	Group Chief Credit Officer
Anuratna Chadha	Group Chief Risk Officer
Joel Van Dusen	Group Head of Corporate and Investment Banking
Mark Edwards	Group Head of Operations
Scott Ramsay	Group Head of Compliance and Bank Money Laundering Reporting Officer
Rania Nerhal	Chief Client Experience and Conduct Officer - Client Experience and Conduct Group
Bassam Moussa	Group General Counsel
Muna Al Ghurair	Group Head of Marketing and Corporate Communications
Hamda Al Shamali	Chief People and Intellectual Capital Officer
Mohamed Abdel Razek	Group Head of Technology, Transformation and Information
Faisal Mohammed AlShimmari	Head of ESG and Corporate Strategy

None of the members of the Management Team is related to the major shareholders or the Chairman. Detailed below is brief biographical information on the members of the Management Team of the Bank.

Mr. Ahmed Abdelaal – Group Chief Executive Officer

Mr. Ahmed Abdelaal is an alumnus of London Business School in the UK and holds an MBA. He joined the Bank in November 2017. Prior to joining the Bank, he was the Regional Head of Corporate Clients Coverage MENAT and Head of Commercial Banking UAE at HSBC. Prior to that he was Regional Head, Corporate Banking and Structured Finance, Large Corporate MENAT. He had been with HSBC for over a decade in progressively senior roles before joining the Bank. He has also worked for ABN Amro, American Express and Arab Bank.

Mr. Norman Tambach – Group Chief Financial Officer

Mr. Norman Tambach joined the Bank in 2023. He holds a Master of Science degree from Nyenrode Business University in the Netherlands and is a certified public accountant. Prior to joining the Bank, Mr. Tambach held significant roles at KPMG in both Belgium and the Netherlands. He was Group Controller/Head of Finance at ING Group N.V. in the Netherlands and went on to become the Chief Financial Officer and an Executive Board Member of ING Germany. As Group Chief Financial Officer, he is responsible for the finance, planning, accounts, taxation, procurement and administrative functions in the Bank.

Mr. Tarek El Nahas – Group Head of International Banking

Mr. Tarek El Nahas joined the Bank in 2020. He holds a Bachelor of Arts degree in Economics and Political Science from the American University in Cairo and a Master of Science degree in Economics from the London School of Economics.

Mr. Fernando Morillo Lopez – Head of Retail Banking

Mr. Fernando Morillo Lopez joined the Bank in 2021. He holds a General Management Programme degree from Harvard Business School, an MBA from Instituto de Empresa in Madrid and a Bachelor of Science degree in Aeronautical Engineering from Universidad Polit cnica de Madrid.

Mr. Hassan Ali – Group Head of Internal Audit

Mr. Hassan Ali joined the Bank in 2023. He holds a Master's degree in International Business from the University of Wollongong in Dubai and a Bachelor of Applied Science in Business & Management (Accounting) with Honors from the Higher Colleges of Technology, UAE. Mr. Hassan Ali brings with him nearly 20 years of experience from his previous roles at Dubai Islamic Bank, where he served as Head of Investments & Treasury Audit, and Noor Bank, where he held multiple positions, including Head of Retail Banking Audit and Head of Support Functions & Sharia Audit.

Mr. Hammad Naqvi – Group Head of Treasury and Capital Markets

Mr. Hammad Naqvi joined the Bank in 1996. He holds an MBA degree from the Institute of Business Administration in Karachi. Prior to joining the Bank in 1996, he was Head of Treasury with Bank of America, Pakistan and he was also posted as Treasurer of Bank of America, Poland. He also spent two years in the merchant banking division of ANZ Grindlays in Pakistan.

Mr. Roy Philip Sebastian – Group Chief Credit Officer

Mr. Roy Philip Sebastian joined the Bank in 2019. He holds a Master's Degree in Commerce and is a Certified Associate of the Indian Institute of Bankers. He is a seasoned banking professional with over 30 years of work experience specialising in Credit Risk Management and Corporate Banking. Prior to joining the Bank, he spent over 21 years with HSBC Group in the Middle East. His last position held was as Regional Head of Credit Approval, Wholesale Credit MENAT, HSBC.

Mr. Anuratna Chadha – Group Chief Risk Officer

Mr. Anuratna Chadha joined the Bank in 2019. He has an MBA from the Indian Institute of Management, Ahmedabad and holds a Bachelor's degree in Commerce from Shri Ram College of Commerce, Delhi. His banking career spans over 30 years, primarily in risk management, wholesale and corporate banking across Singapore, Japan, India and South Africa.

Mr. Joel Van Dusen – Group Head of Corporate and Investment Banking

Mr. Joel Van Dusen joined the Bank in 2020. He has a Bachelor's degree in Economics from Cornell University, New York, U.S. and read philosophy, politics and economics at the University of Oxford, UK. He held several senior corporate and investment banking roles, most recently as Global Head of Large Corporates, Commercial Banking at HSBC, where he was also a member of the Global Commercial Banking Executive Committee.

Mr. Mark Edwards – Group Head of Operations

Mr. Mark Edwards joined the Bank in 2020. He is a Business Management graduate from the University of Stirling in the United Kingdom and the Executive Management programme from INSEAD (France and Singapore). Mr. Mark Edwards has over 25 years of experience in business operations and with international and regional banking experience across banking operations, shared services, business transformation, project management and corporate integration.

Mr. Scott Ramsay – Group Head of Compliance and Bank Money Laundering Reporting Officer

Mr. Scott Ramsay joined the Bank in 2020. He has a Master of Laws honours degree from Victoria University of Wellington in New Zealand. Mr Scott Ramsay has over 15 years of banking and senior management experience, with an extensive background in areas of compliance, financial crimes and anti-money laundering, among others.

Ms. Rania Nerhal – Chief Client Experience and Conduct Officer – Client Experience and Conduct Group

Ms. Rania Nerhal joined the Bank in 2018. She has a Bachelor's degree in Economics from the Faculty of Commerce and Foreign Trade, Cairo, Egypt. She has more than 25 years of experience in client relationship management in the banking industry. Before joining the Bank, she held executive management roles, such as Head of Client Corporate Coverage and Head of Large Corporates and Public Sector at HSBC, and at Egyptian American Bank, Commercial Bank of Dubai, and Al Ahli Bank of Kuwait.

Mr. Bassam Moussa - Group General Counsel

Mr. Bassam Moussa joined the Bank in 2023. He holds a Master of Laws in International and Comparative Law from the Robert H. McKinney School of Law, Indiana, U.S. and has completed postgraduate courses in International Finance Law from the University of London, UK and LMA Loan Documentation Training in London in 2014. Mr. Bassam Moussa has extensive expertise in energy projects, corporate commercial, mergers and acquisitions, real estate, governance and disputes and litigation.

Ms. Muna Al Ghurair – Group Head of Marketing & Corporate Communications

Ms. Muna Al Ghurair joined the Bank in 2022. She holds a diploma in marketing from the UAE Polytechnic University. Ms. Al Ghurair is an Emirati with over 20 years of experience in communications, marketing, sales and business development with an outstanding track record with leading payments and financial institutions in the region.

Ms. Hamda Al Shamali – Chief People and Intellectual Capital Officer

Ms. Hamda Al Shamali joined the Bank in the third quarter of 2022. She is an Emirati human resources professional with a strong track record spanning more than 20 years of accomplishments with leading local and international organizations. She holds a Bachelor's degree of Applied Science in Business Administration from the Higher Colleges of Technology Dubai.

Prior to joining Mashreq, Ms. Hamda was the Executive Director, human resources at The National Health Insurance Company – Daman, overseeing all aspects of the company's Human Resources function. Her experience also includes leading nationalization and local talent initiatives across multiple roles in the GCC for international banks such as HSBC Bank Middle East and Barclays PLC.

The business address of the Management Team of the Bank is Mashreqbank Global Headquarters, Al Umniyati Street, Burj Khalifa Community, P.O. Box 1250, Dubai, UAE.

Mr. Mohamed Abdel Razek – Group Head of Technology, Transformation & Information

Mr. Mohamed Abdel Razek joined the Bank in 2023. He holds an Electrical Engineering degree from McGill University, Canada. Mr. Razek has over 30 years of experience of leading Group and Regional Technology functions of large corporations including Standard Chartered Bank, British American Tobacco and Schlumberger.

Mr. Faisal Mohammed AlShimmari – Head of ESG and Corporate Strategy

Mr. Faisal Mohammed AlShimmari joined the Bank in 2022. He holds four graduate diplomas, two master's degrees and a Gold Commander diploma from the Emergency Planning College (EPC) in the United Kingdom. Prior to joining the Bank, Mr. AlShimmari held senior positions in the government sector, including in the Abu Dhabi police department and the UAE Ministry of Interior, where he served as the Chief Information Security Officer.

Conflicts

There are no potential conflicts of interest between the duties to the Bank of the members of the Management Team listed above and their private interests or other duties.

Board Remuneration

The members of the Board of Directors of the Bank received remuneration of AED 3.25 million and benefits in kind during the year ended 31 December 2023 as the Bank declared a profit in the financial year 2022.

Employees

As at 31 December 2023, the Bank employed 5,938 full-time staff. The Bank has not experienced any strikes since its establishment and considers its relationship with its employees to be good.

The Bank has a variable pay scheme for all employees pursuant to which a performance bonus is awarded to top performers based on annual performance appraisals. The bonus paid is a function of the performance of the Bank, the performance of the respective unit for which the individual works and the individual's own performance.

The Bank has incentive plans for sales staff in various business segments. These incentives are paid on each sale booked, covering personal loans, credit cards and investment products; in most cases, the Bank utilises a stepped incentive structure.

Emiratisation

The Bank supports the UAE government's mandate to gradually nationalise its employee work force. In order to move towards fulfilling this commitment, the Bank gives first priority to UAE nationals at all levels within the Bank, subject to the availability of requisite talent in the market. In line with current UAE national work force demographics, entry-level positions are generally filled by UAE nationals. Recruiting, developing and retaining UAE nationals is a focus area for the Bank. See further "*The United Arab Emirates Banking System and Prudential Regulation – Characteristics of the Banking System – Expatriate workforce*".

Transactions with Related Parties

As at 31 December 2023, certain related parties (Directors, key management personnel) and major shareholders of the Bank and companies of which they are principal owners were customers of the Bank in the ordinary course of business and, in the aggregate, had outstanding customers' deposits of AED 1,260 million (compared with AED 1,662 million as at 31 December 2022), loans and advances, including Islamic financing, in the amount of AED 2,964 million (compared with AED 3,352 million as at 31 December 2022) and letters of credit, guarantees and acceptances in the amount of AED 1,409 million (compared with AED 1,474 million as at 31 December 2022). All such transactions were made on substantially the same terms, including as to interest rates and collateral, as loans prevailing at the same time for comparable transactions with unrelated parties and did not involve more than a normal amount of risk.

Corporate Governance

The Bank has in place corporate governance rules based on industry best practices, the UAE Commercial Companies Law No. 32 of 2021, UAE Central Bank regulations and the UAE Securities and Commodities Authority code on corporate governance.

The Bank takes its corporate governance obligations seriously and to that end the Board of Directors has appointed the following committees as an important element in the overall corporate governance framework of the Bank:

- the Board Audit Committee, consisting of three non-executive directors;
- the Board Risk Committee, consisting of three non-executive directors;
- the Board Credit Committee, consisting of three non-executive directors; and
- the Board Nomination and Compensation Committee, consisting of three non-executive directors.

The Board has appointed several committees consisting of the CEO and senior management:

- the Executive Management Committee (ExCo);
- the Asset-Liability Committee (ALCO);
- the Investment Committee (IC);
- the Regulatory Compliance Committee (RCC);
- the Human Resource Committee (HRC);
- the Enterprise Risk Committee (ERC); and
- the Information Security Committee (ISC).

Additionally, the Bank has well-established policies and procedures documented in various manuals and supported by detailed standard operating procedures. The Bank has a written code of conduct to be followed by all employees (including senior management) and adherence to it is monitored closely.

THE UNITED ARAB EMIRATES BANKING SYSTEM AND PRUDENTIAL REGULATION

Overview

As at 31 December 2023, there were a total of 50 commercial banks registered in the UAE (consisting of 22 locally incorporated commercial banks and 28 foreign commercial banks) (*source*: UAE Central Bank Monetary Banking & Financial Markets Developments Report Q4 2023). As a result, the UAE could be, and has historically been, viewed as an overbanked market, even by regional standards and there has traditionally been little impetus for consolidation. However, the consummation of the merger of National Bank of Abu Dhabi and First Gulf Bank on 30 March 2017, which created First Abu Dhabi Bank (the "**Merger**"), one of the largest banks in the MENA region by assets, stimulated further movement towards greater consolidation among UAE banks (see "*Characteristics of the Banking System – Historic lack of consolidation*" below).

Within the UAE, the financial and insurance sector was estimated to have contributed approximately 7.25 per cent. of GDP (at current prices) in 2021 (*source*: FCSC National Account information for 2012-2021).

As a banking regulator, the UAE Central Bank, established in 1980, has grown in stature over the years and is the governing body that regulates and supervises all banks operating in the UAE. The UAE Central Bank monitors banks through its Banking Supervision and Examination Department. It conducts reviews of banks periodically based on the risk profile of each bank. It also reviews all of the returns submitted by the banks to the UAE Central Bank.

Historically, the UAE Central Bank does not act as a "lender of last resort". Instead, this role tends to fall on the individual Emirs of each Emirate. However, the Marginal Lending Facility allows non-Islamic UAE banks to use certain tradeable assets or foreign exchange as collateral to access UAE Central Bank liquidity overnight in order to help their liquidity management (see "*The United Arab Emirates Banking System and Prudential Regulation – Recent Trends in Banking – Liquidity*" below).

COVID-19

In response to the COVID-19 outbreak, the UAE Central Bank implemented the Targeted Economic Support Scheme ("**TESS**"), which included a range of measures aimed at mitigating the economic effects of COVID-19 on the UAE economy. The measures introduced by the TESS expired on 30 June 2022. The TESS was accompanied by other stimulus measures, including the reduction of interest rates and the following measures:

- decreasing the UAE Central Bank's minimum reserve requirement for all current, call and savings deposits from 14 per cent. to 7 per cent.;
- postponing the planned implementation of certain Basel III capital requirements in a phased manner from 30 June 2021 to 30 June 2022; and
- allowing banks to apply a prudential filter to IFRS 9 expected loss provisions. The prudential filter will allow any increase in IFRS9 provisioning compared to 31 December 2019 to be partially added back to regulatory capital. This will allow IFRS 9 provisions to be gradually phased in over a five-year period until 31 December 2024.

Characteristics of the Banking System

Historic lack of consolidation

The UAE may be, and has historically been, seen as being overbanked with 50 commercial banks registered in the UAE (consisting of 22 locally incorporated commercial banks and 28 foreign commercial banks) and 11 wholesale banks licensed to operate in the UAE (*source*: UAE Central Bank Monetary Banking & Financial Markets Developments Report Q4 2023), serving a population estimated to be in the region of approximately 9.9 million people at the end of 2022 (*source*: OPEC Annual Statistical Bulletin 2023). Traditionally, there has been little impetus for consolidation, with the federal structure of the UAE encouraging, to some extent, the fragmented nature of the banking sector, with the individual Emirates wishing to retain their own national banks. Rivalries between large local business families and a desire not to dilute shareholdings have also historically hampered the process of consolidation. As a result, during the period between the October 2007 merger of Emirates Bank International P.J.S.C. and National Bank of

Dubai P.J.S.C. which created Emirates NBD and 2017 there was very limited merger activity domestically in the sector. However, following the Merger and the acquisition of Noor Bank P.J.S.C by Dubai Islamic Bank P.J.S.C in January 2020, commentators have suggested that the UAE may see more consolidation of the banking sector in order to improve profitability and reduce inefficiencies.

While the anticipated attempts at consolidation would further reduce the level of concentration in the domestic banking sector, they would also likely lead to a significant alteration of the competitive environment with fewer, larger locally incorporated banks competing for the larger financing transactions in the region with the foreign banks, which have tended to have comparatively larger franchises, with greater infrastructure and resources with which to absorb capital costs, such as IT system development.

Domestic focus

The UAE-incorporated banks are predominantly focused on the domestic market, but a number have small operations overseas and are showing growing interest in cross-border business, a trend which is likely to continue in the event of further merger activity in the sector.

With a large number of banks competing for a limited number of wholesale lending opportunities, most banks historically turned to retail banking, a previously untapped market. However, increasing competition in this area has gradually eroded margins and encouraged a relaxation of lending criteria.

Expansion of retail operations has also required heavy investment in distribution channels, particularly ATM networks, kiosks and telephone and internet banking services. As a consequence, IT costs have been a prominent feature of many UAE banks' expenses in addition to employee costs.

Limited foreign ownership

In 1987, the UAE federal government placed a freeze on new foreign banks opening operations in the UAE. At the same time, existing foreign banks were limited to a maximum of eight branches, which restricted their ability to develop any retail potential. However, three banks of GCC state origin, the National Bank of Kuwait, SAMBA and Doha Bank, were awarded licences by the UAE Central Bank following an agreement to permit market access to banks of GCC state origin in line with continuing efforts in regional integration.

During 2002, the Government of Dubai issued a decree establishing the Dubai International Financial Centre (the "**DIFC**"). The DIFC, located in the Emirate of Dubai, is a free trade zone and financial services centre focusing on private banking, asset management, investment banking, re-insurance activities, Islamic finance, securities trading and back office operations. The DIFC has its own civil and commercial laws and has been granted authority to self-legislate in civil and commercial cases. The opening of the DIFC has enabled international banks to establish a presence and compete in the wholesale banking market, and this has seen new entities entering the market place.

In 2013, the Government sought to replicate the success of the DIFC by announcing its intention to establish the Abu Dhabi Global Market (the "**ADGM**") in Abu Dhabi as an international financial free zone with its own legal framework (closely based on English common law). The ADGM became operational in mid-2015 and, as at the date of this Base Prospectus, it remains unclear to what extent this will impact the competitive and regulatory landscape in the domestic banking sector.

Federal Law No. 14 of 2018 (which entered into force with effect from 23 September 2018) (the "**2018 Federal Law**") amended the minimum permissible shareholding by UAE nationals in UAE banks to 60 per cent. As at 31 December 2023, 97 per cent. of the Bank's shares are owned by UAE nationals.

Exposure to the oil sector

With much of the economy directly or indirectly dependent on the oil sector, UAE banks are potentially vulnerable to business erosion during long periods of low oil prices (see "*Risk Factors – Risk Factors relating to the United Arab Emirates – The UAE's economy is highly dependent upon its oil revenue*"). In particular, oil revenues tend to drive levels of liquidity and government infrastructure investment. Gradually, however, private non-oil sectors are gaining ground and the UAE economy is becoming less susceptible to oil price movements. The mining and quarrying sector, which includes crude oil and natural gas, accounted for approximately 27.7 per cent. of the UAE's constant GDP in 2021, down from 79 per cent. of GDP in 1980 (source: Federal Government of the UAE).

Islamic banking

Shari'a (Islamic) law forbids the charging of interest on any financial transaction. A number of banks have developed in the Islamic world to serve customers who wish to observe this principle. These institutions offer a range of products which, whilst broadly corresponding with conventional banking transactions, are structured in a way which avoids the application of interest. The UAE is home to numerous institutions offering Islamic banking and financial products. Such institutions include: Dubai Islamic Bank PJSC, Abu Dhabi Islamic Bank PJSC, Emirates Islamic Bank PJSC, Ajman Bank, Sharjah Islamic Bank PJSC, Dubai Islamic Insurance & Reinsurance Company (AMAN), Islamic Arab Insurance Co. (PSC) (Salama), Al Hilal Bank PJSC, Tamweel and Amlak Finance. In addition, conventional financial institutions often offer *Shari'a*-compliant products. In addition, the majority of local and international conventional financial institutions that operate in the UAE also offer *Shari'a*-compliant products through their Islamic windows. The number of Islamic banks continues to increase, with both new entrants to the market and existing conventional banks recasting themselves as Islamic banks.

Legal environment

There are three primary sources of law in the UAE: (i) federal laws and decrees; (ii) local laws; and (iii) *Shari'a* (Islamic) law. In addition, Emiri decrees can be issued by the Rulers of each of the Emirates which, when issued, have full legal effect and operation in such Emirate. The secondary form of law is trade custom or practice. In the absence of federal legislation on areas specifically reserved to federal authority, the Ruler of a given Emirate or local government will apply his or its own rules, regulations and practices.

Supervision of banks

The main piece of legislation applicable to the banking system is the 2018 Federal Law which repeals Federal Law No. 10 of 1980 concerning the status of the UAE Central Bank. The UAE Central Bank's primary roles are to formulate and implement banking, credit, monetary and fiscal policy and to be responsible for ensuring price and currency stability with free convertibility to foreign currencies. It is also the "bank for banks" within the UAE, although it is not the "lender of last resort". In the event of a bank experiencing financial difficulties or a solvency crisis, rescue funds – such as long-term liquidity or equity support – have historically come from the Emirate in which the institution is based. However, in the event of a run on the currency or a major banking crisis, it is likely that the UAE federal government would ultimately stand as de facto defender of the currency and the "lender of last resort".

The 2018 Federal Law grants the UAE Central Bank powers to:

- draw up and implement monetary policy;
- exercise currency issuance;
- organise licensed financial activities, establish the foundations for carrying them on, and determine the standards required for developing and promoting prudential practices in accordance with the provisions of the 2018 Federal Law and international standards;
- set up appropriate regulations and standards for protection of customers of licensed financial institutions;
- monitor the credit condition in the UAE, in order to contribute to the achievement of balanced growth in the national economy;
- manage foreign reserves to maintain, at all times, sufficient foreign currency assets to cover the monetary base as per the provisions of the 2018 Federal Law; and
- regulate, develop, oversee and maintain soundness of the financial infrastructure systems in the UAE, including electronic payment systems, digital currency and stored value facilities.

Historically, income from overseas investments has been used to fund fiscal deficits, obviating the need for the UAE Central Bank to issue UAE federal government debt. However, the UAE Central Bank does issue Monetary Bills ("**M-Bills**") to UAE banks via auction, denominated in UAE dirhams, in order to absorb excess liquidity rather than to meet a specific funding need. The M-Bills programme was launched in January 2021 to replace UAE Central Bank Certificates of Deposit. The secondary market in M-Bills is

currently developing but they can be used as collateral for UAE dirham funding from the UAE Central Bank at any time. The UAE dirham is linked to the International Monetary Fund's Special Drawing Right. However, the U.S. dollar is the intervention currency and, in practice, the UAE dirham is pegged to the U.S. dollar. This pegged exchange rate has been in place since the 1980s and has proved to be resilient both to political tensions in the region and to fluctuations in oil prices. However, see "*Risk Factors – Risk Factors relating to the United Arab Emirates – Foreign exchange movements or any alteration to, or abolition of, the foreign exchange "peg" of the UAE dirham to the U.S. dollar may adversely affect the Bank's profitability*".

The UAE Central Bank is also responsible for regulating financial institutions in relation to money laundering controls and enforcing Federal Law No. 20 of 2018 regarding the procedures for Anti-Money Laundering and Combating the Financing of Terrorism and Illicit Organisations. Pursuant to this, the UAE has established the National Committee to Counter Money Laundering, Combating the Financing of Terrorism and Financing of Illegal Organisations which is responsible for coordinating policy and systems on anti-money laundering and the combating of terrorism financing and assessing the effectiveness of such policies and systems and the representation of the UAE in international forums on these matters. Federal Law No. 20 of 2018 also recommends the establishment of an independent "Financial Information Unit" within the UAE Central Bank to receive and investigate reports submitted by financial institutions and corporate entities regarding suspected illicit financial activity.

Although the UAE Central Bank is responsible for regulating all banks, exchange houses, investment companies and other financial institutions in the UAE, the Dubai Financial Services Authority regulates all banking and financial services activities in the DIFC, while the ADGM Financial Services Regulatory Authority regulates activity in the financial services sector in the ADGM. The UAE Central Bank has also been growing in stature as a banking supervisor. However, it is hampered in its role by the level of legal autonomy afforded to the individual Emirates, which at times makes it difficult to enforce directives uniformly across the banking sector.

Capital Markets

The capital markets in the UAE are regulated by a number of entities, including the UAE Securities and Commodities Authority (the "SCA"), which licenses intermediaries to trade on the Dubai Financial Market and the ADX. The SCA is a federal government organisation but has financial, legal and administrative independence. The other significant stock exchange in the UAE is Nasdaq Dubai which commenced operations in September 2005 and, as an entity based in the DIFC, is separately regulated.

Dubai Financial Market

The Dubai Financial Market, which is now, along with Nasdaq Dubai, owned by Borse Dubai Limited, was established by the Government of Dubai in 2000 as an independent entity and operates as a market for the listing and trading of shares, bonds and investment units issued by companies, investment funds and other local or foreign financial institutions that conform to its listing requirements.

The Dubai Financial Market was upgraded to the MSCI Emerging Markets Index with effect from 1 June 2014 which has led to an increase in interest and investment from international institutional investors in Dubai.

Nasdaq Dubai

Nasdaq Dubai (formerly known as the Dubai International Financial Exchange or DIFX) commenced operations in September 2005. On 22 December 2009, Dubai Financial Market announced that it had made an offer to Borse Dubai Limited and the Nasdaq OMX Group to acquire Nasdaq Dubai. The offer was valued at U.S.\$121 million and comprised U.S.\$102 million in cash and 40 million Dubai Financial Market shares. The merger was approved by Borse Dubai Limited and the Nasdaq OMX Group and was completed on 11 July 2010.

Nasdaq Dubai's standards are comparable to those of leading international exchanges in New York, London and Hong Kong. Nasdaq Dubai allows regional and international issuer's access to regional and international investors through primary or dual listings. Investors can access Nasdaq Dubai through a unique mix of regional and international brokers.

Abu Dhabi Securities Exchange

The ADX was established in November 2000 as an independent entity and operates as a market for trading securities, including shares issued by public joint stock companies, bonds or sukuk issued by governments or corporations, exchange traded funds, and any other financial instruments approved by the SCA.

ADX is classified as an 'Emerging Market' by each of MSCI index (Morgan Stanley Capital International), S&P Dow Jones, FTSE, S&P and Russell Investments. ADX has the authority to establish centres and branches outside the emirate of Abu Dhabi. To date it has done so in the emirates of Fujairah, Ras al Khaimah and Sharjah.

Government involvement

There is a high degree of state involvement in the UAE banking sector. Most of the larger banks have some degree of government ownership. Privatisation, though advocated in principle, has been slow to manifest in practice. The state and its related entities are together the banking sector's largest customers, in terms of both deposits and project financing.

Expatriate workforce

An unusual feature of the UAE economy is its reliance on overseas labour, with expatriates making up approximately 83.3 per cent. of the workforce (*source*: FCSC Labour Force Survey 2019). The banking sector is no exception to this and expatriates are employed in the senior management of most of the major banks. This has brought expertise from more developed markets to the sector. However, the high level of expatriates in the UAE has been an increasing concern for the UAE federal government and, as part of a policy of "Emiratisation", banks were instructed, in 1999, to increase the percentage of UAE nationals on their payroll by at least 4 per cent. per annum. This policy has now been replaced by the UAE Cabinet Decree number 3/10/267 of 2015 dated 25 October 2015 (the "**Emiratisation Circular**"), which has introduced a scoring system which takes into account the employment and progression of Emirati employees in the organisation. The minimum threshold for Emirati employees for each institution is dependent on a number of factors. The Emiratisation Circular does not set any upper limit at which the policy would no longer be applicable. If UAE banks are not able to achieve their targets for recruiting and progressing UAE nationals through their organisation, they will be subject to penalties to be computed in accordance with a specific formula set out in the Emiratisation Circular.

Accounting standards

Since 1 January 1999, all UAE banks have been required to prepare their financial statements in accordance with IFRS (formerly International Accounting Standards (IAS)). Although this has led to a substantial improvement in disclosure standards, there remains some variability in the quality and depth of disclosure across the banking sector.

Structure of the banking system

Banking institutions in the UAE fall into a number of categories. Domestic commercial banks, also known as "National" banks, of which there were 22 as at 31 December 2023 (*source*: UAE Central Bank Monetary Banking & Financial Markets Developments Report Q4 2023), are required to be public shareholding companies with a minimum share capital of AED 40 million and must be majority owned by UAE nationals. Licensed foreign banks, of which there were 39 as at 31 December 2023 (comprising 28 commercial banks and 11 wholesale banks) (*source*: UAE Central Bank Monetary Banking & Financial Markets Developments Report Q4 2023), need to demonstrate that at least AED 40 million has been allocated as capital funds for their operations in the UAE. "Financial institutions" (institutions whose principal functions are to extend credit, carry out financial transactions, invest in moveable property and other activities, but which are not permitted to accept funds by way of deposits) and financial and monetary intermediaries (money and stockbrokers) may also be licensed to operate within the UAE.

Recent Trends in Banking

Profitability

The performance of the UAE economy is influenced by oil prices, which directly affect fiscal revenues and hence determine the level of investment in government projects in the country. The high oil prices and strong economic conditions experienced in the UAE between 2004 and 2008 allowed UAE banks to expand significantly.

In addition to strong oil revenues, the UAE has seen an inflow of funds from expatriates supporting domestic demand after the COVID-19 pandemic and UAE banks have benefited from rising interest rates. According to Fitch, the average net interest margin of the banking sector in the UAE increased 50 basis points to 3.3 per cent. in 2023 compared to 2.8 per cent. in 2022.

Liquidity

UAE banks are mostly funded through on demand or time-based customer deposits made by private individuals or public and private sector companies. The UAE Central Bank closely monitors the level of liquidity in the banking system. It also requires that banks have in place adequate systems and controls to manage their liquidity positions, as well as contingency funding plans to cope with periods of liquidity stress. Banks must also adhere to a maximum loan-to-deposit ratio of 100 per cent. set by the UAE Central Bank. In this context, loans comprise loans and advances to customers and interbank assets maturing after three months.

As at 31 December 2023, according to data made available by the UAE Central Bank:

- demand and time deposits constituted approximately 86.4 per cent. of total resident and non-resident deposits of national banks (excluding government deposits, commercial prepayments and borrowings under repurchase agreements);
- resident corporate and individual deposits constituted approximately 64.0 per cent. of total deposits of national banks (excluding inter-bank deposits and bank drafts but including commercial prepayments and borrowings under repurchase agreements);
- resident government deposits (including GRE deposits) and non-banking financial institutions constituted approximately 28.4 per cent. of total deposits of national banks (excluding inter-bank deposits and bank drafts but including commercial prepayments and borrowings under repurchase agreements); and
- non-resident sources constituted approximately 7.6 per cent. of total deposits of national banks with approximately 59.2 per cent. of such non-resident deposits being from corporate non-residents (in each case, excluding inter-bank deposits and bank drafts but including commercial prepayments and borrowings under repurchase agreements),

(source: UAE Central Bank Statistical Bulletin January 2024).

Since September 2008, the UAE Central Bank has made available an AED 50 billion liquidity facility which banks could draw upon subject to posting eligible debt securities as collateral. The liquidity facility was available only for the purpose of funding existing commitments. New lending was required to be based on growth in the customer deposit base. The UAE Central Bank also established a CD repo facility under which banks can use CDs as collateral for dirham or U.S. dollar funding from the UAE Central Bank.

In line with Basel III requirements, the UAE Central Bank has issued the UAE Central Bank Notice No. 33/2015 on liquidity requirements (which was issued by the UAE Central Bank on 27 May 2015 and which entered into force with effect from 1 July 2015) (the "**Liquidity Notice**") and which includes a set of qualitative and quantitative liquidity requirements for UAE banks. The qualitative requirements set out in the Liquidity Notice elaborate on the responsibilities of a UAE bank's board of directors and senior management as well as the overall liquidity risk framework. The new regulations are intended to ensure that liquidity risks are well managed at banks operating in the UAE and are in line with the Basel Committee's recommendations and international best practices. These requirements include the following:

Responsibilities of the board of directors:

- to bear ultimate responsibility for liquidity risk management within the relevant UAE bank;
- to be familiar with liquidity risk management with at least one board member having a detailed understanding of liquidity risk management; and
- to enable the clear articulation of liquidity risk tolerance in line with the relevant UAE bank's objectives, strategy and risk appetite.

Responsibilities of senior management:

- to develop strategies, policies and practices to manage liquidity risk in accordance with the liquidity risk tolerance set by the board of directors;
- to review the UAE bank's strategy and to report to the board of directors on regulatory compliance on a regular basis; and
- to manage liquidity risk in a prudent manner using all available liquidity risk management tools.

Liquidity risk framework:

The Liquidity Notice requires each UAE bank to have a robust liquidity risk framework which comprises the following elements:

- sound processes and systems to identify, measure, monitor and control liquidity risk in a timely and accurate manner;
- a robust liquidity risk management framework (which must be shared with the UAE Central Bank upon request) with limits, warning indicators, communication and escalation procedures;
- regular internal stress-testing of the portfolio for a variety of scenarios (both institution-specific and market-wide), with the results being communicated to the board of directors and the UAE Central Bank on request;
- incorporation of liquidity costs, benefits and risks into product pricing and approval processes;
- establishment of a forward-looking funding strategy with effective diversification of funding sources and tenors;
- setting of formal contingency funding plans which clearly set out strategies for addressing liquidity shortfalls in emergency situations (and which must be shared with the UAE Central Bank upon request);
- establishment of an adequate cushion of unencumbered, highly liquid assets as insurance against a range of liquidity stress scenarios; and
- a transfer pricing framework (which is commensurate with the bank's liquidity risk tolerance and complexity) developed to reflect the actual cost of funding.

The quantitative requirements set out in the Liquidity Notice are intended to ensure that each UAE bank holds a minimum level of liquid assets which allow it to sustain a short-term liquidity stress (in circumstances both specific to that bank and market-wide) as per the below.

	<u>Ratio</u>	<u>Applicability Period</u>
Basel III ratios	LCR (LCR > = 100%)	1 January 2019 onwards
	NSFR (NSFR > = 100%)	1 January 2018 onwards

The LCR represents a 30-day stress scenario with combined assumptions covering both bank-specific and market-wide stresses. These assumptions are applied to contractual data representing the main liquidity risk drivers at banks to determine cash outflows within the 30-day stress scenario. The LCR requires that UAE banks should always be able to cover the net cash outflow with HQLAs at the minimum LCR determined by the UAE Central Bank. The Basel III accord requires that this minimum is 100 per cent. The Liquidity Notice describes in detail eligible HQLAs for this purpose. See "*Risk Factors – Risks related to the Bank's business activities and industry – Liquidity Risk*" and "*Description of the Bank – Liquidity Risk Management*" for more information.

NSFR is a structural ratio that aims to ensure that banks have adequate stable funding to fund the assets on their balance sheets. It also requires an amount of stable funding to cover a portion of the relevant UAE banks' contingent liabilities. The NSFR in the UAE mirrors the Basel III standards. The NSFR identifies the key uses of funds and the different types of funding sources used by the UAE banks. It assigns available stable funding ("**ASF**") factors to the sources of funds and required stable funding ("**RSF**") (usage) factors

to asset classes and off-balance sheet contingent exposures. The assigned ASF factor depends on the terms of funding and the perceived stability of the funding sources. The assigned RSF factor will depend on the liquidity of the asset being funded under a market-wide stress. Both factors will follow the Basel III standards. The NSFR minimum is 100 per cent.

Standing Credit & Liquidity Insurance Facilities

On 15 April 2014, the UAE Central Bank introduced an Interim Marginal Lending Facility which allowed non-Islamic UAE banks to use certain assets as collateral to access UAE Central Bank liquidity overnight in order to help their liquidity management during times of market stress.

On 1 March 2022, this was replaced with the Marginal Lending Facility and Contingent Liquidity Insurance Facility (together referred to as the "**Standing Credit & Liquidity Insurance Facilities**"). The Marginal Lending Facility performs the same function as the former Interim Marginal Lending Facility, whereas the Contingent Liquidity Insurance Facility allows access to UAE Central Bank term liquidity at the discretion of the UAE Central Bank.

The UAE Central Bank accepts a range of tradeable securities and foreign exchange as eligible collateral for the purposes of accessing the Standing Credit & Liquidity Insurance Facilities, including securities issued by sovereigns (originating in the UAE and outside the UAE), securities issued by corporates, financial institutions or supranational, municipal, or public sector issuers. In order to be eligible, collateral must meet minimum credit rating requirements specified in the terms and conditions of the Standing Credit & Liquidity Insurance Facilities. Banks accessing the Standing Credit & Liquidity Insurance Facilities must borrow a minimum of AED 10 million.

Position of depositors

While as at the date of this Base Prospectus, no bank has been permitted to fail, there is no formal deposit protection scheme in the UAE.

Prudential regulations

The UAE Central Bank has supervisory responsibility for banking institutions in the UAE. Supervision is carried out through on-site inspections and review of periodic submissions from the banks. The frequency of inspection depends on the perceived risk of the bank, but inspections are carried out in all banks at least once every 18 months. Prudential returns are made monthly, quarterly, semi-annually or annually, depending on the nature of the information they contain. An improved risk management framework has been implemented, aimed at providing the UAE Central Bank with more up-to-date information on credit, market and operational risks within the banking sector.

Capital adequacy

All banks are required to follow the principles of the Basel accord in calculating their capital adequacy ratios. Basel II was introduced effective 17 November 2009 by way of UAE Central Bank Circular Number 27/2009. Since 1993, the UAE Central Bank had imposed a 10 per cent. minimum total capital ratio on all UAE banks. In a circular dated 30 August 2009, the UAE Central Bank announced amendments to its capital adequacy requirements, such that UAE banks were required to have a total capital adequacy ratio of at least 11 per cent., with a Tier 1 ratio of not less than 7 per cent., by 30 September 2009. Furthermore, the UAE Central Bank required banks operating in the UAE to increase their Tier 1 capital adequacy ratio to at least 8 per cent., with a minimum total capital adequacy ratio of at least 12 per cent., by 30 June 2010. Thereafter, through its circular dated 17 November 2009 introducing Basel II, the UAE Central Bank stated that it was expected that the main banks in the UAE would move to the Foundation Internal Rating Based approach under Basel II in due course. Through this circular, the UAE Central Bank reiterated that all banks operating in the UAE were required to maintain a minimum capital adequacy ratio of 11 per cent. at all times, increasing to 12 per cent. by 30 June 2010, and laid out its expectations in relation to Pillar II and Pillar III of the Basel II framework. Profits for the current period, goodwill, other intangibles, unrealised gains on investments and any shortfall in loan loss provisions were deducted from regulatory capital. As at the date of this Base Prospectus, the Bank is required by the UAE Central Bank to maintain a minimum total capital adequacy ratio of 13.0 per cent.

The calculation of capital adequacy ratios in the UAE follows the Bank of International Settlements guidelines. Under the 2018 Federal Law, the UAE Central Bank may determine reserve requirements for UAE banks. All dividends paid by UAE banks have to be authorised in advance by the UAE Central Bank.

The Basel Committee has put forward a number of fundamental reforms to the regulatory capital framework for internationally active banks. On 16 December 2010 and on 13 January 2011, the Basel Committee issued the Basel III Reforms, constituting guidance on the eligibility criteria for Tier 1 and Tier 2 capital instruments as part of a package of new capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards for credit institutions. The implementation of the Basel III reforms began on 1 January 2013. However, the requirements are subject to a series of transitional arrangements and will be phased in over a period of time. The Basel Committee's January 2011 Press Release included an additional Basel III requirement as follows:

"The terms and conditions of all non-common Tier 1 and Tier 2 instruments issued by an internationally active bank must have a provision that requires such instruments, at the option of the relevant authority, to either be written off or converted into common equity upon the occurrence of the trigger event unless:

- (a) the governing jurisdiction of the bank has in place laws that:
 - (i) require such Tier 1 and Tier 2 instruments to be written off upon such event; or*
 - (ii) otherwise require such instruments to fully absorb losses before tax payers are exposed to loss;**
- (b) a peer group review confirms that the jurisdiction conforms with clause (a); and*
- (c) it is disclosed by the relevant regulator and by the issuing bank, in issuance documents going forward, that such instruments are subject to loss under clause (a).*

The trigger event is the earlier of: (1) a decision that a write-off, without which the firm would become non-viable, is necessary, as determined by the relevant authority; and (2) the decision to make a public sector injection of capital, or equivalent support, without which the firm would have become non-viable, as determined by the relevant authority."

The January 2011 Press Release states that instruments issued after 1 January 2013 must meet the Non-Viability Requirement in order to be recognised as Tier 1 or Tier 2 instruments for regulatory capital purposes. The recognition of instruments issued before 1 January 2013 which do not meet these requirements will be phased out from 1 January 2013.

The February 2017 Regulations and the Accompanying Standards confirm that the Non-Viability Requirement is a pre-requisite for any capital instruments issued by UAE banks to achieve Regulatory Capital (as defined below) classification from the UAE Central Bank. The Non-Viability Requirement must be provided for contractually in the absence of a statutory loss absorption framework in the UAE as at the date of this Base Prospectus.

In May 2016, the UAE Central Bank published a draft consultation document entitled "Capital Adequacy Regulation" (the "**Consultation Document**"), detailing the Basel III requirements expected to be followed by banks operating in the UAE, once the applicable legislation has been implemented in the UAE. In particular, the Consultation Document outlines the general quantitative requirements expected to be followed by UAE banks, with regards to Common Equity Tier 1 capital, Additional Tier 1 capital and Tier 2 capital (together, "**Regulatory Capital**"). It also outlines, amongst other things the Regulatory Capital ratios that UAE banks will be expected to follow and adhere to, the individual UAE bank minimum capital conservation standards and the required disclosure standards expected to be made available by UAE banks with respect to Regulatory Capital.

On 23 February 2017, the UAE Central Bank published the February 2017 Regulations in the Official Gazette issue 612, which were effective from 1 February 2017. The February 2017 Regulations are intended to ensure that the capital adequacy of all banks operating in the UAE is in line with the Basel III requirements, whilst implementing the measures contained in the Consultation Document. The February 2017 Regulations are supported by the accompanying standards entitled "Standards for Capital Adequacy of Banks in the UAE" which were first published by the UAE Central Bank on 12 November 2020 by virtue of Notice No. CBUAE/BSN/2020/4980 and most recently updated on 30 December 2022 by virtue of

Notice No. CBUAE/BSN/2022/5280 (the "**Accompanying Standards**"). The Accompanying Standards elaborate on the supervisory expectations of the UAE Central Bank with respect to the relevant Basel III capital adequacy requirements. Banks which are classified as D-SIBs by the UAE Central Bank will be required to hold additional capital buffers as notified to it by the UAE Central Bank. In addition, a bank may also be subject to additional capital add-on requirements following a supervisory review and evaluation process of the UAE Central Bank (see "*Risk Factors – Risk Factors relating to the legal and regulatory environment – Changes to the Basel regulatory framework as implemented in the UAE may have an effect on the Bank*").

Reserve requirements

Reserve requirements are used by the UAE Central Bank as a means of prudential supervision and to control credit expansion. The reserve requirements are 1 per cent. for term deposits and 14 per cent. for all other customer balances. As part of the UAE Central Bank's stimulus package in response to COVID-19, the minimum reserve requirement for all current, call and savings deposits was decreased from 14 per cent. to 7 per cent. This requirement was then raised to 11 per cent. by the UAE Central Bank in 2023.

Credit controls

Banks are required by the UAE Central Bank to establish credit policies and procedures commensurate with their size and activities. They must also have a proper credit assessment and approval process and adequate controls in place to monitor credit concentrations to, among others, individual borrowers, economic sectors and foreign countries.

The UAE Central Bank circular dated 23 February 2011 on retail banking and Notice No. 31/2013 dated 28 October 2013 (which was published in the Official Gazette on 28 November 2013 and entered into force on 28 December 2013), as amended by Notice No. CBUAE/BSN/2020/1799 dated 8 April 2020 and Resolution No. 31/2/2020 (the "**Mortgage Regulations**") introduced regulations regarding bank loans and other services offered to individual customers. These regulations, among other things, impose maximum loan/income and loan to value ratios for retail products.

Large Exposures

The UAE Central Bank defines large exposures as any funded or unfunded exposures (less provisions, cash collaterals and deposits under lien) to a single borrower or group of related borrowers exceeding prescribed limits.

On 11 November 2013, the UAE Central Bank published Central Bank Notice No. 32/2013 on large exposures (the "**Large Exposure Notice**") amending certain existing large exposure limits imposed by the UAE Central Bank. The Large Exposure Notice was then replaced by the Large Exposures Regulation introduced by the UAE Central Bank on 22 May 2023. Exposures above limits imposed by the Large Exposures Regulation are subject to approval by the UAE Central Bank. Set out below is a table showing a summary of the limits under the Large Exposures Regulation (defined as a percentage of the bank's capital base calculated under Basel II).

	Cap as percentage of Tier 1 Capital	
	Individual	Aggregate
UAE federal government.....	Not applicable	Not applicable
Foreign sovereigns rated at least AA-	Not applicable	Not applicable
UAE local governments	Not applicable	150%
Non-commercial entities of UAE local governments	25%	150%
Commercial entities of UAE federal government and UAE local government.....	25%	100%
Self-sustainable commercial entities of UAE federal and local governments	25%	Not applicable
A single borrower or a group of related borrowers.....	25%	Not applicable
Shareholders who own 5 per cent. or more of the bank's capital and their related entities	20%	50%
Globally systemic bank exposures to another globally system bank.....	15%	Not applicable
UAE incorporated bank's exposure to its foreign branches	Not applicable	30%
Exposure to bank's non-bank subsidiaries and affiliates.....	10%	25%
Board members	5%	25%

Provisions for loan losses

For UAE banks, IFRS 9 was introduced for financial reporting periods commencing on 1 January 2018, replacing IAS 39 and introducing an expected credit loss ("ECL") model for the measurement of the impairment of financial assets, such that it is no longer necessary for a credit event to have occurred before a credit loss is recognised. The guiding principle of the ECL model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. IFRS 9 provision uses a three-stage approach in recognising increased credit risk at each stage of risk (i.e., Stage 1 for current facilities, Stage 2 for significant increase in credit risk and Stage 3 for impaired loans).

On 27 March 2020, the IASB issued a guidance note, advising that both the assessment of a significant increase in credit risk and the measurement of ECLs are required to be based on reasonable and supportable information that is available to an entity without undue cost or effort. In assessing forecast conditions, consideration should be given both to the effects of COVID-19 and the significant government support measures being undertaken.

Banks in the UAE generally do not write off non-performing loans from their books until all legal avenues of recovery have been exhausted. This factor tends to inflate the level of impaired loans and advances to customers and/or financings carried on the balance sheets of UAE banks when compared to banks operating in other economies.

UAE Model Standards and Guidelines

On 23 December 2022, the UAE Central Bank published the Model Standards and Guidelines which contain mandatory modeling practices to be implemented by banks operating in the UAE. The Model Standards and Guidelines aim to improve the quality of models used, increase model homogeneity across the UAE and mitigate model risk. All UAE banks were required to submit a gap assessment of their current model management practices against the standard and the guidance in the Model Standards and Guidelines, together with a remediation plan, to the UAE Central Bank by 21 June 2023. The introduction of the Model Standards and Guidelines demonstrates a notable increase in the emphasis placed by the UAE Central Bank on ensuring the accuracy and reliability of models used by banks.

Al Etihad Credit Bureau

Al Etihad Credit Bureau ("AECB") is a public joint stock company wholly owned by the UAE federal government. As per UAE Federal law No. (6) of 2010 concerning credit information and amendments, the AECB is mandated to regularly collect credit information from financial and non-financial institutions in the UAE. The AECB aggregates and analyses this data to calculate credit scores and produce credit reports. The Bank has entered into a data and credit information supply agreement with the AECB. The availability of credit reports reduces the risk involved in the origination of customer lending and banking business generally.

Shari'a compliance

The HSA Law requires financial institutions licensed by the UAE Central Bank to operate their Islamic banking business activities in compliance with the rules, standards and general principles established by the Higher *Shari'a* Authority and, in certain circumstances, requires such financial institutions to obtain the consent of the Higher *Shari'a* Authority before undertaking certain licensed financial activities.

Corporate governance

Banks in the UAE are subject to the Corporate Governance Regulations and the Corporate Governance Standards which were issued by the UAE Central Bank in 2019 with a view to ensuring banks have a comprehensive approach to corporate governance.

SUMMARY OF THE PRINCIPAL TRANSACTION DOCUMENTS

The following is a summary of certain provisions of the principal Transaction Documents and is qualified in its entirety by reference to the detailed provisions of the principal Transaction Documents. Copies of the Transaction Documents will be available for inspection at the offices of the Trustee and the Principal Paying Agent (as defined in the Conditions). Defined terms used below have the meaning given to them in the Conditions unless stated otherwise.

Master Purchase Agreement, as supplemented by each Supplemental Purchase Agreement

The Master Purchase Agreement was entered into on 18 July 2024 between the Trustee (in its capacity as purchaser) and the Bank (in its capacity as Seller) and is governed by the laws of Dubai and, to the extent applicable in Dubai, the federal laws of the UAE. A Supplemental Purchase Agreement between the same parties will be entered into on the Issue Date of each Tranche and will also be governed by the laws of Dubai and, to the extent applicable in Dubai, the federal laws of the UAE.

Pursuant to each Supplemental Purchase Agreement, the Seller will sell, transfer and assign to the Purchaser, and the Purchaser will purchase, and accept the transfer and assignment of, all of the Seller's rights, title, interests, benefits and entitlements in, to and under (i) (on the issue date of the first Tranche of a Series) the relevant Initial Assets and (ii) (on each date on which any additional Certificates are issued) the relevant Additional Assets.

Service Agency Agreement

The Service Agency Agreement was entered into on 18 July 2024 between the Trustee and the Bank (in its capacity as Service Agent) and is governed by English law.

Pursuant to the Service Agency Agreement, the Trustee has appointed the Service Agent to service the Sukuk Portfolio relating to each Series. In particular, the Service Agent will, in relation to each Series, perform, amongst other things, the following services (the "**Services**") as agent of the Trustee, during the Wakala Ownership Period:

- (a) it will service the Sukuk Portfolio in accordance with the wakala services plan (the "**Wakala Services Plan**") (the form of which is set out in the Schedule to the Service Agency Agreement), which shall be completed at the time of issue of the first Tranche of the relevant Series upon receipt from the Trustee of the relevant Supplemental Purchase Agreement;
- (b) if the Trustee issues an Additional Tranche, it shall as soon as practicable after such issuance amend and restate the Wakala Services Plan for that Series to take into account the issuance of such Additional Tranche;
- (c) it shall ensure that the Tangibility Ratio is, at all times on and after the Issue Date of the first Tranche of a Series, more than 50 per cent. and if, at any time, the Tangibility Ratio falls:
 - (i) to 50 per cent. or less (but is 33 per cent. or more), the Service Agent shall take any and all steps as may be required by the Internal Shariah Supervision Committee of the Service Agent to ensure such Tangibility Ratio is restored to more than 50 per cent. within the time period determined by the Internal Shariah Supervision Committee of the Service Agent; and
 - (ii) to less than 33 per cent. (such event, being a "**Tangibility Event**"), the Service Agent shall, within 10 Business Days of becoming aware of the occurrence of the Tangibility Event, deliver a notice to the Trustee and the Delegate in accordance with the terms of the Service Agency Agreement and request the Trustee to promptly deliver a Tangibility Event Notice to the relevant Certificateholders in accordance with Condition 10(e) (*Tangibility Event Put Option*);
- (d) it may, if at any time there are Sukuk Portfolio Principal Revenues standing to the credit of the Principal Collection Account and, to the extent that the Bank has further Eligible Assets (the "**Further Wakala Assets**") available for sale to the Trustee, notify the Trustee in writing of:

- (i) the Sukuk Portfolio Principal Revenues standing to the credit of the Principal Collection Account and freely available for use by the Trustee for the purposes of purchasing Further Wakala Assets as selected by the Bank; and
 - (ii) the details and Value of such Further Wakala Assets;
- (e) it shall do all acts and things (including execution of such documents, issue of notices and commencement of any proceedings) that it considers (and without the need for the consent of the Trustee) reasonably necessary to ensure the assumption of, and compliance by, each Asset Obligor with its covenants, undertakings or other obligations under the Asset Contracts to which it is a party in accordance with applicable law and the terms of the relevant Asset Contracts, in each case in respect of the relevant Wakala Assets;
 - (f) it shall discharge or procure the discharge of all obligations to be discharged by the Bank (in whatever capacity) in respect of any of the Wakala Assets under all Asset Contracts, it being acknowledged that the Service Agent may appoint one or more agents to discharge these obligations on its behalf;
 - (g) it shall pay on behalf of the Trustee any actual costs, expenses, losses and taxes which would otherwise be payable by the Trustee as a result of the Trustee's ownership of the Sukuk Portfolio and such actual costs, expenses, actual losses and taxes shall be reimbursed in accordance with the provisions of the Service Agency Agreement;
 - (h) it shall use all reasonable endeavours to ensure the timely receipt of all Sukuk Portfolio Revenues, investigate non-payment of Sukuk Portfolio Revenues (free and clear of, and without withholding or deduction for, Taxes) and generally make all reasonable efforts to collect or enforce the collection of such Sukuk Portfolio Revenues as and when the same shall become due and shall record such Sukuk Portfolio Revenues in the applicable Collection Accounts in accordance with the terms of the Service Agency Agreement;
 - (i) it shall maintain the Collection Accounts in accordance with the terms of the Service Agency Agreement;
 - (j) it shall obtain all necessary licences, authorisations and consents in connection with any of the Wakala Assets and its obligations under or in connection with the Service Agency Agreement;
 - (k) it shall use all reasonable endeavours to ensure that all Asset Obligors in respect of the relevant Wakala Assets maintain industry standard insurances and fulfil all structural repair and major maintenance obligations (if any) on behalf of the Trustee in respect of the relevant Wakala Assets (each in accordance with the terms of the relevant Asset Contracts relating to such Wakala Assets); and
 - (l) it shall carry out any incidental matters relating to any of the above.

If, following payment of amounts standing to the credit of the Reserve Account as described below, a shortfall (a "**Shortfall**") remains on any Wakala Distribution Determination Date, it may either (a) provide *Shari'a* compliant funding itself, or (b) procure *Shari'a* compliant funding from a third party, in each case, to the extent necessary to ensure that the Trustee receives on each Wakala Distribution Determination Date, the Required Amount payable by it in accordance with the Conditions of the relevant Series on the immediately following Periodic Distribution Date, by payment of the same into the relevant Transaction Account and on terms that such funding will be settled (i) from Sukuk Portfolio Income Revenues in accordance with the order of priority set out below, or (ii) in accordance with the terms of the relevant Transaction Documents on the relevant Dissolution Date (such funding in relation to a Series, a "**Liquidity Facility**").

Following receipt of the notice referred to in paragraph (e) above, the Trustee shall pay, or procure the payment by the Service Agent of, a purchase price (the "**Further Wakala Asset Purchase Price**"), which shall be no greater than the Value of the Further Wakala Assets, to or to the order of the Bank against the sale, transfer and assignment to, or for the benefit of, the Trustee of all of the Bank's rights, title, interests, benefits and entitlements, in, to and under the relevant Further Wakala Assets subject to the execution, and pursuant to and on the terms, of a separate purchase agreement substantially in the form, *mutatis mutandis*, of a Supplemental Purchase Agreement **provided that**:

- (a) immediately following such sale, assignment, transfer and conveyance, the Value of the Sukuk Portfolio (which, for the purposes of this paragraph (a), shall exclude all murabaha profit instalments forming part of any Deferred Sale Price then outstanding) shall be at least equal to the aggregate face amount of the Certificates then outstanding; and
- (b) the Further Wakala Asset Purchase Price shall be debited (or equivalent) by the Service Agent from the relevant Principal Collection Account on the date of such sale, transfer and assignment and such debiting (or equivalent) of the Further Wakala Asset Purchase Price from the relevant Principal Collection Account shall constitute full discharge of the obligation of the Trustee to pay the Further Wakala Asset Purchase Price under this paragraph.

The Service Agent has also undertaken to the Trustee that, in relation to each Series:

- (a) it shall not take any steps during the Wakala Ownership Period that will result in the Sukuk Portfolio not comprising any Wakala Assets at any time; and
- (b) it shall maintain actual or constructive possession, custody or control of all of the Wakala Assets comprising the Sukuk Portfolio during the Wakala Ownership Period, **provided that** (i) it is legally possible for the Service Agent to so maintain; and (ii) such maintenance shall not result in a breach of the terms of the relevant Asset Contracts.

The Service Agent shall provide the Services in accordance with all applicable laws and regulations and with the degree of skill and care that it would exercise in respect of its own assets and service the Sukuk Portfolio relating to each Series in accordance with generally accepted *Shari'a* principles.

The Service Agent shall be entitled to receive a fee for acting as service agent which comprises a fixed fee of U.S.\$100 (the adequacy of which is acknowledged by the Service Agent under the Service Agency Agreement) and may also receive additional payments as described below.

In relation to each Series, the Service Agent will maintain three ledger accounts (such accounts being the "**Income Collection Account**", the "**Principal Collection Account**" and the "**Reserve Account**") in its books (each of which shall be denominated in the Specified Currency) in which all Sukuk Portfolio Revenues will be recorded. All Sukuk Portfolio Revenues in relation to each Series will be recorded:

- (a) to the extent that any such amounts comprise Sukuk Portfolio Income Revenues, in the Income Collection Account; and
- (b) to the extent that any such amounts comprise Sukuk Portfolio Principal Revenues, in the Principal Collection Account.

Amounts standing to the credit of the Income Collection Account relating to each Series will be applied by the Service Agent on each "**Wakala Distribution Determination Date**" (being the Business Day immediately prior to the relevant Periodic Distribution Date under the Certificates of the relevant Series) in the following order of priority:

- (a) *first*, in repayment to the Service Agent of any amounts advanced by it to the Trustee by way of a Liquidity Facility;
- (b) *second*, in payment of any due but unpaid Service Agency Liabilities Amounts for the Wakala Distribution Period ending immediately before the immediately following "**Wakala Distribution Date**" (being the date which corresponds with the relevant Periodic Distribution Date under the Certificates of the relevant Series) and (if applicable) any Service Agency Liabilities Amounts for any previous Wakala Distribution Period that remain unpaid;
- (c) *third*, the Service Agent will pay into the relevant Transaction Account an amount equal to the lesser of the Required Amount payable on the immediately following Periodic Distribution Date and the balance of the Income Collection Account; and
- (d) *fourth*, any amounts still standing to the credit of the Income Collection Account immediately following payment of all of the above amounts shall be debited from the Income Collection Account and credited to the Reserve Account.

The Service Agent will be entitled to deduct amounts standing to the credit of the Reserve Account at any time and use such amounts for its own account, **provided that** such amounts shall be repaid by it if so required to fund a Shortfall or upon the occurrence of a Dissolution Event, a Potential Dissolution Event or a Tangibility Event.

The Service Agent has agreed in the Service Agency Agreement that all payments by it under the Service Agency Agreement must be made in the Specified Currency and without any withholding or deduction for, or on account of, any taxes unless required by law and without set-off or counterclaim of any kind and, in such case, the Service Agent will pay all additional amounts as will result in the receipt by the Trustee of such net amounts as would have been receivable by it if no withholding or deduction had been made.

The Service Agent has undertaken in the Service Agency Agreement that any payment obligations of the Service Agent under the Service Agency Agreement will be direct, unconditional, unsecured and (subject to the provisions of Condition 5 (*Negative Pledge*)) unsecured obligations of the Service Agent and rank *pari passu* among themselves and at least *pari passu* with the claims of the Service Agent's unsecured and (subject to the provisions of Condition 5 (*Negative Pledge*)) unsecured creditors, from time to time outstanding, save those whose claims are preferred solely by any bankruptcy, insolvency, liquidation or other similar laws of general application.

Purchase Undertaking

The Purchase Undertaking was executed as a deed on 18 July 2024 by the Bank in favour of the Trustee and the Delegate, and is governed by English law.

In relation to each Series, the Bank has irrevocably granted to the Trustee and the Delegate (in each case, on behalf of itself and the Certificateholders) each of the following rights:

- (a) **provided that** a Dissolution Event has occurred and is continuing, to require the Bank to purchase on the Dissolution Event Redemption Date all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the Wakala Assets comprised in the Sukuk Portfolio applicable to such Series at the Exercise Price specified in the relevant Exercise Notice;
- (b) to require the Bank to purchase, on the Scheduled Dissolution Date, all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the Wakala Assets comprised in the Sukuk Portfolio applicable to such Series at the Exercise Price specified in the relevant Exercise Notice;
- (c) **provided that** (i) Certificateholder Put Option is specified as applicable in the applicable Final Terms (and Optional Dissolution Right is specified as not applicable in each applicable Final Terms) and (ii) one or more Certificateholders have exercised the Certificateholder Put Option in accordance with the Conditions, to require the Bank to purchase on the Certificateholder Put Option Date all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the Certificateholder Put Option Wakala Assets at the Certificateholder Put Option Exercise Price specified in the relevant Exercise Notice;
- (d) **provided that:** (i) a Tangibility Event has occurred; and (ii) one or more Certificateholders have exercised the Tangibility Event Put Option in accordance with the Conditions, to require the Bank to purchase on the Tangibility Event Put Option Date all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the Tangibility Event Wakala Assets at the Tangibility Event Exercise Price specified in the relevant Exercise Notice; and
- (e) **provided that** an exercise of rights request has been delivered by the Service Agent in accordance with the Service Agency Agreement, to require the Bank to transfer and assign to the Trustee on the substitution date all of the Bank's rights, title, interests, benefits and entitlements in, to and under the new Wakala Assets against the transfer and/or assignment to the Bank of all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the substituted Wakala Assets, subject to certain conditions set out in the Purchase Undertaking,

in each case, on an "as is" basis but free and clear of any adverse claim (without any warranty express or implied as to condition, fitness for purpose, suitability for use or otherwise and if any warranty is implied by law, it shall be excluded to the fullest extent permitted by law) and otherwise on the terms and subject to the conditions of the Purchase Undertaking.

The Bank has covenanted and undertaken in the Purchase Undertaking that:

- (a) if, at the time of delivery of an exercise notice in accordance with the provisions of the Purchase Undertaking, Mashreqbank psc remains in actual or constructive possession, custody or control of, all or any part of the Wakala Assets, the Certificateholder Put Option Wakala Assets or the Tangibility Event Wakala Assets, as the case may be; and
- (b) if, following delivery of an exercise notice in accordance with the provisions of the Purchase Undertaking, the Bank fails to pay the relevant Exercise Price, the Certificateholder Put Option Exercise Price or the Tangibility Event Exercise Price, as the case may be, in accordance with the provisions of the Purchase Undertaking for any reason whatsoever,

the Bank shall (as an independent, severable and separately enforceable obligation) fully indemnify the Trustee for the purpose of redemption in full of the Certificates then outstanding or the relevant Certificates to be redeemed on the Certificateholder Put Option Date or the Tangibility Event Put Option Date, as the case may be, and, accordingly, the amount payable under any such indemnity claim will equal the relevant Exercise Price, the Certificateholder Put Option Exercise Price or the Tangibility Event Exercise Price, as the case may be.

The Bank has agreed in the Purchase Undertaking that all payments by it under the Purchase Undertaking must be made in the Specified Currency and without any withholding or deduction for, or on account of, any taxes unless required by law and without set-off or counterclaim of any kind and, in such case, the Bank will pay all additional amounts as will result in the receipt by the Trustee of such net amounts as would have been receivable by it if no withholding or deduction had been made.

The Bank has undertaken in the Purchase Undertaking that any payment obligations of the Bank under the Purchase Undertaking will be direct, unconditional, unsubordinated and (subject to the provisions of Condition 5 (*Negative Pledge*)) unsecured obligations of the Bank and rank *pari passu* among themselves and at least *pari passu* with the claims of the Bank's unsubordinated and (subject to the provisions of Condition 5 (*Negative Pledge*)) unsecured creditors, from time to time outstanding, save those whose claims are preferred solely by any bankruptcy, insolvency, liquidation or other similar laws of general application.

Sale Undertaking

The Sale Undertaking was executed as a deed on 18 July 2024 by the Trustee in favour of the Bank and is governed by English law.

In relation to each Series, the Trustee has irrevocably granted to the Bank each of the following rights:

- (a) **provided that** a Tax Event has occurred, to require the Trustee to sell, transfer and assign to the Bank on the Early Tax Dissolution Date specified in the Exercise Notice all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the Wakala Assets comprised in the Sukuk Portfolio applicable to such Series at the Exercise Price specified in the relevant Exercise Notice;
- (b) **provided that** Optional Dissolution Right is specified as applicable in each applicable Final Terms (and Certificateholder Put Option is specified as not applicable in each applicable Final Terms), to require the Trustee to sell, transfer and assign to the Bank on the Optional Dissolution Date all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the applicable portion of the Wakala Assets at the Optional Dissolution Exercise Price specified in the relevant Exercise Notice;
- (c) if 75 per cent. or more of the aggregate face amount of Certificates then outstanding have been redeemed and/or purchased and cancelled pursuant to Condition 10 (*Capital Distributions of the Trust*) and/or Condition 13 (*Purchase and Cancellation of Certificates*), as the case may be, to require the Trustee to sell, transfer and assign to the Bank on the Clean Up Call Dissolution Date all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the Wakala Assets comprised in the Sukuk Portfolio applicable to the relevant Series at the Exercise Price specified in the relevant Exercise Notice;
- (d) following delivery of the cancelled Certificates to the Registrar for cancellation pursuant to Condition 13(b) (*Cancellation of Certificates held by the Bank and/or any of its Subsidiaries*) to require the Trustee to transfer and assign to the Bank on the cancellation date all of the Trustee's

rights, title, interests, benefits and entitlements in, to and under the cancellation Wakala Assets subject to certain conditions set out in the Sale Undertaking;

- (e) to require the Trustee to transfer and assign to the Bank on the substitution date all of the Trustee's rights, title, interests, benefits and entitlements in, to and under, the substituted Wakala Assets against the transfer and assignment to the Trustee of all of the Bank's rights, title, interests, benefits and entitlements in, to and under, the new Wakala Assets subject to certain conditions set out in the Sale Undertaking,

in each case, on an "as is" basis but free and clear of any adverse claim (without any warranty express or implied as to condition, fitness for purpose, suitability for use or otherwise and if any warranty is implied by law, it shall be excluded to the fullest extent permitted by law) and otherwise on the terms and subject to the conditions of the Sale Undertaking.

Master Murabaha Agreement

The Master Murabaha Agreement was entered into on 18 July 2024 between the Trustee (in its capacity as Seller), the Bank (in its capacity as Buyer) and the Delegate and is governed by English law.

Pursuant to the Master Murabaha Agreement, and in connection with each relevant Tranche of Certificates, the Trustee may enter into a Commodity Murabaha Investment with the Buyer using a portion of the issue proceeds (being no more than, together with (to the extent applicable) the Intangible Part of any Sukuk forming part of the relevant Sukuk Portfolio, 45 per cent. of the aggregate face amount of the Certificates of that Tranche) of the relevant Tranche, as specified in the applicable Final Terms. In accordance with the Master Murabaha Agreement, on receipt of a duly completed Notice of Request to Purchase from the Buyer, the Trustee (acting through the Commodity Agent) may purchase the relevant commodities on the relevant Issue Date from a commodity supplier on a spot basis at the relevant Commodity Purchase Price.

Upon completion of the purchase of the commodities by the Trustee and the Trustee gaining title thereto and (actual or constructive) possession thereof, the Trustee may deliver to the Buyer a duly completed Offer Notice by no later than 1.00 p.m. (or such other time as may be agreed in writing by the Buyer and the Trustee) on the relevant Issue Date.

Provided that the Buyer has received a duly completed Offer Notice in accordance with the terms of the Master Murabaha Agreement and it wishes to enter into a Murabaha Contract, the Buyer will accept the terms of, countersign and deliver to the Trustee such Offer Notice and purchase the relevant Commodities acquired by the Trustee for the relevant Deferred Sale Price, in each case no later than 2.00 p.m. London time (or such other time as may be agreed between the Buyer and the Trustee) on the relevant Issue Date.

As soon as the Buyer has accepted the Trustee's offer by countersigning the relevant Offer Notice, a Murabaha Contract shall be created between the Trustee and the Buyer upon the terms of the Offer Notice and incorporating the terms and conditions set out in the Master Murabaha Agreement, the Trustee shall sell and the Buyer shall buy the relevant Commodities and ownership of and, upon the Buyer obtaining (actual or constructive) possession of the relevant Commodities, all risks in and to the relevant Commodities shall immediately pass to and be vested in the Buyer, together with all rights and obligations relating thereto.

The Buyer has agreed in the Master Murabaha Agreement that all payments by it under the Master Murabaha Agreement must be made in the Specified Currency and without any withholding or deduction for, or on account of, any taxes unless required by law and without set-off or counterclaim of any kind and, in such case, the Buyer will pay all additional amounts as will result in the receipt by the Trustee of such net amounts as would have been receivable by it if no withholding or deduction had been made.

The Buyer has undertaken in the Master Murabaha Agreement that any payment obligations of the Buyer under the Master Murabaha Agreement will be direct, unconditional, unsubordinated and (subject to the provisions of Condition 5 (*Negative Pledge*)) unsecured obligations of the Buyer and rank *pari passu* among themselves and at least *pari passu* with the claims of the Buyer's unsubordinated and (subject to the provisions of Condition 5 (*Negative Pledge*)) unsecured creditors, from time to time outstanding, save those whose claims are preferred solely by any bankruptcy, insolvency, liquidation or other similar laws of general application.

Master Declaration of Trust, as supplemented by each Supplemental Declaration of Trust

The Master Declaration of Trust was entered into on 18 July 2024 between the Trustee, the Bank and the Delegate and is governed by English law. A Supplemental Declaration of Trust between the same parties will be entered into on the Issue Date of each Tranche of Certificates and will also be governed by English law.

The Trust Assets in respect of each Series of Certificates comprise (i) all of the cash proceeds of the issue of the Certificates, pending application thereof in accordance with the Transaction Documents; (ii) all of the Trustee's rights, title, interests, benefits and entitlements, present and future, in, to and under the Sukuk Portfolio; (iii) all of the Trustee's rights, title, interests, benefits and entitlements, present and future, in, to and under the Transaction Documents (excluding any representations given by the Bank to the Trustee and/or the Delegate pursuant to any of the Transaction Documents and the covenant given to the Trustee pursuant to clause 17.1 of the Master Declaration of Trust); (iv) all amounts standing to the credit of the relevant Transaction Account from time to time; and (v) all proceeds of the foregoing.

If and to the extent the Trustee has exercised its rights under Condition 20 (*Further Issues*) to issue additional Certificates in respect of a Series, on the date of issue of such additional Certificates, the Trustee will execute a Declaration of Commingling of Assets for and on behalf of the holders of the existing Certificates and the holders of such additional Certificates so issued, declaring that the Additional Assets transferred to the Trustee (in respect of the issuance of the additional Certificates) and the Wakala Assets comprising the Sukuk Portfolio immediately prior to the acquisition of the Additional Assets (in respect of the relevant Series as in existence immediately prior to the issue of such additional Certificates) are commingled and shall collectively comprise part of the Trust Assets for the benefit of the holders of the existing Certificates and the holders of such additional Certificates as tenants in common *pro rata* according to the face amount of Certificates held by each Certificateholder, in accordance with the Master Declaration of Trust.

Pursuant to the Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust, the Trustee will, in relation to each Series of Certificates, *inter alia*:

- (a) hold the relevant Trust Assets on trust absolutely for the holders of the Certificates as beneficiaries in respect of that Series only; and
- (b) act as trustee in respect of the Trust Assets, distribute the income from the Trust Assets and perform its duties in accordance with the provisions of the Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust.

The Trustee will irrevocably and unconditionally appoint the Delegate to be its delegate and attorney and in its name, on its behalf and as its act and deed to execute, deliver and perfect all documents, and to exercise all of the present and future powers (including the power to sub-delegate), trusts, rights, authorities (including, but not limited to, the authority to request directions from any Certificateholders and the power to make any determinations to be made under the Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust) and discretions vested in the Trustee by the Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust, that the Delegate may consider to be necessary or desirable in order, subject to it being indemnified and/or secured and/or pre-funded to its satisfaction, to exercise all of the rights of the Trustee under any of the Transaction Documents and make such distributions from the relevant Trust Assets as the Trustee is bound to make in accordance with the Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust. The appointment of such delegate is intended to be in the interests of the Certificateholders and does not affect the Trustee's continuing role and obligations as sole trustee.

The Bank has covenanted and undertaken in the Master Declaration of Trust as follows:

- (a) to comply with all provisions of the Conditions which are expressed to be applicable to it including, without limitation, the negative pledge provisions described in Condition 5 (*Negative Pledge*);
- (b) to comply with the terms of the Transaction Documents to which it is a party;
- (c) to not take any steps during the Wakala Ownership Period that will result in the Sukuk Portfolio not comprising any Wakala Assets at any time;

- (d) to maintain actual or constructive possession, custody or control of all of the Wakala Assets comprised in the Sukuk Portfolio at all times during the Wakala Ownership Period, provided that (i) it is legally possible for the Bank so to maintain; and (ii) such maintenance shall not result in a breach of the terms of the relevant Asset Contracts; and
- (e) to notify the Delegate and the Trustee in writing of any Dissolution Event (and the steps, if any, being taken to remedy it) and/or Potential Dissolution Event, in each case promptly upon becoming aware of its occurrence.

The Bank has acknowledged and agreed in the Master Declaration of Trust that the Bank Events applicable to it are set out in full in the Conditions, that it is fully aware of and understands the terms thereof and that the occurrence thereof shall constitute a Dissolution Event for the purposes of the Conditions.

The Bank has covenanted and undertaken in the Master Declaration of Trust that:

- (a) if, at the time of delivery of an exercise notice in accordance with the provisions of the Purchase Undertaking, Mashreqbank psc remains in actual or constructive possession, custody or control of, all or any part of the Wakala Assets, the Certificateholder Put Option Wakala Assets or the Tangibility Event Wakala Assets; and
- (b) if, following delivery of an exercise notice in accordance with the provisions of the Purchase Undertaking, the Bank fails to pay the relevant Exercise Price, the Certificateholder Put Option Exercise Price or the Tangibility Event Exercise Price, as the case may be, in accordance with the provisions of the Purchase Undertaking for any reason whatsoever,

the Bank shall (as an independent, severable and separately enforceable obligation) fully indemnify the Trustee for the purpose of redemption in full of the Certificates then outstanding or the relevant Certificates to be redeemed on the Certificateholder Put Option Date or the Tangibility Event Put Option Date, as the case may be, and, accordingly, the amount payable under any such indemnity claim will equal the relevant Exercise Price, the Certificateholder Put Option Exercise Price or the Tangibility Event Exercise Price, as the case may be.

The Bank has covenanted and undertaken in the Master Declaration of Trust that if the outstanding Deferred Sale Price is not paid on the relevant Dissolution Date in accordance with the provisions of the Master Murabaha Agreement for any reason whatsoever, the Buyer shall (as an independent, severable and separately enforceable obligation) fully indemnify the Trustee for the purpose of redemption of the outstanding Certificates of such Series and, accordingly, the amount payable under any such indemnity claim will equal the outstanding Deferred Sale Price.

In addition, in the event that the Trustee fails to comply with any obligation to pay additional amounts pursuant to Condition 11 (*Taxation*), the Bank has covenanted and undertaken in the Master Declaration of Trust that it will unconditionally and irrevocably (irrespective of the payment of any fee), as a continuing obligation, pay to or to the order of the Delegate (for the benefit of the Certificateholders) such net amounts as are necessary so that the amount receivable by the Delegate (after any withholding or deduction for or on account of tax) equals any and all additional amounts required to be paid by it in respect of the Certificates pursuant to Condition 11 (*Taxation*).

A non-interest bearing Transaction Account in London will be established in the name of the Trustee. Moneys received in the Transaction Account will, *inter alia*, comprise payments of Periodic Distribution Amounts and/or Dissolution Amounts immediately prior to each Periodic Distribution Date and/or any Dissolution Date, as the case may be. The Declaration of Trust shall provide that all moneys credited to the Transaction Account from time to time will be applied in the order of priority set out in the Declaration of Trust.

Shari'a Compliance

Each Transaction Document to which it is a party provides that each of Mashreq Al Islami Sukuk Company Ltd. and Mashreqbank psc agrees that it has accepted the *Shari'a* compliant nature of the Transaction Documents to which it is a party and, to the extent permitted by law, further agrees that:

- (a) it shall not claim that any of its obligations under the Transaction Documents to which it is a party (or any provision thereof) is *ultra vires* or not compliant with the principles of *Shari'a*;

- (b) it shall not take any steps or bring any proceedings in any forum to challenge the *Shari'a* compliance of the Transaction Documents to which it is a party; and
- (c) none of its obligations under the Transaction Documents to which it is a party shall in any way be diminished, abrogated, impaired, invalidated or otherwise adversely affected by any finding, declaration, pronouncement, order or judgment of any court, tribunal or other body that the Transaction Documents to which it is a party are not compliant with the principles of *Shari'a*.

For these purposes:

"Asset Contracts" means, in relation to a Series, the Financing Contracts and the Tangible Sukuk Contracts relating to the Wakala Assets comprised in Sukuk Portfolio of that Series;

"Asset Obligor" means, in relation to a Series, each Lessee in respect of a Financing Asset and each Sukuk Obligor in respect of a Tangible Sukuk, in each case, forming part of the Sukuk Portfolio of that Series;

"Certificateholder Put Option Exercise Price" means, in relation to each Series, an amount equal to:

- (a) the aggregate of:
 - (i) the aggregate face amount of the relevant Certificates to be redeemed on the Certificateholder Put Option Date; plus
 - (ii) an amount equal to all accrued and unpaid Periodic Distribution Amounts (if any) relating to the relevant Certificates; plus
 - (iii) if all of the Certificates of a Series are being redeemed, to the extent not previously satisfied in accordance with the Service Agency Agreement, an amount equal to the sum of any outstanding (i) amounts repayable in respect of any Liquidity Facility; and (ii) any Service Agency Liabilities Amounts; plus
 - (iv) without double counting, an amount representing any amounts payable by the Trustee (in any capacity) under the Transaction Documents (including but not limited to amounts due but unpaid pursuant to Conditions 6(b)(i) (*Application of Proceeds from Trust Assets*) and 6(b)(ii) (*Application of Proceeds from Trust Assets*)); plus
 - (v) without double counting, any other amounts payable in respect of as specified in the applicable Final Terms;
 - (vi) less
- (b) the applicable portion of the aggregate amounts of Deferred Sale Price then outstanding (if any) in respect of the relevant Series on the date of the relevant Exercise Notice;

"Eligible Asset" means a Financing Asset or a Tangible Sukuk:

- (a) in respect of which the Lessee under the related Financing Contract or, as the case may be, the Sukuk Obligor under the related Tangible Sukuk Contracts: (i) is generating cashflows relating to an activity which does not conflict with the principles of *Shari'a*; and (ii) is not in breach of its payment obligations in respect of that Financing Contract or, as the case may be, those Tangible Sukuk Contracts;
- (b) which has been originated or is held or owned by the Seller in a manner consistent with its usual credit and origination and/or investment policies as approved by the Internal Shariah Supervision Committee of the Seller;
- (c) in respect of which the obligations contained in:
 - (i) the related Financing Contract entered into by the Lessee thereof constitute legal, valid, binding and (subject to generally applicable insolvency laws and principles of equity) enforceable obligations of the Lessee under the governing law of that Financing Contract and in the jurisdiction in which such Lessee is located; or

- (ii) the related Tangible Sukuk Contract entered into by the Sukuk Obligor thereof constitute legal, valid, binding and (subject to generally applicable insolvency laws and principles of equity) enforceable obligations of the Sukuk Obligor under the governing law of that Tangible Sukuk Contract and in the jurisdiction in which such Sukuk Obligor is located;
- (d) in respect of which the Seller is entitled to receive all payments due;
- (e) in respect of which there has not occurred an event of default, any acceleration or analogous event under the related Financing Contract or, as the case may be, the Tangible Sukuk or the related Tangible Sukuk Contracts;
- (f) in respect of which there has not occurred a total loss, destruction or expropriation; and
- (g) in respect of which the Seller's rights, title, interests, benefits and entitlements therein are capable of being sold, transferred and assigned by the Seller to the Purchaser in accordance with all applicable laws, its own terms and the terms set out in the Master Purchase Agreement as supplemented by the relevant Supplemental Purchase Agreement..

"Exercise Price" means, in relation to each Series, an amount equal to:

- (a) the aggregate of:
 - (i) the aggregate face amount of the Certificates of the relevant Series then outstanding; plus
 - (ii) an amount equal to all accrued and unpaid Periodic Distribution Amounts (if any) relating to such Certificates; plus
 - (iii) to the extent not previously satisfied in accordance with the Service Agency Agreement, an amount equal to the sum of any outstanding (i) amounts repayable in respect of any Liquidity Facility; and (ii) any Service Agency Liabilities Amounts; plus
 - (iv) without double counting, an amount representing any amounts payable by the Trustee (in any capacity) under the Transaction Documents (including but not limited to amounts due but unpaid pursuant to Conditions 6(b)(i) (*Application of Proceeds from Trust Assets*) and 6(b)(ii) (*Application of Proceeds from Trust Assets*)); plus
 - (v) without double counting, any other amounts payable on redemption of the Certificates as specified in the applicable Final Terms;
 - (vi) less
- (b) the aggregate amounts of Deferred Sale Price then outstanding (if any) in respect of the relevant Series on the date of the relevant Exercise Notice;

"Financing Asset" means a real estate asset located in Dubai (excluding the DIFC) in relation to which the Bank or any person on its behalf has entered into a Financing Contract; provided, however, that such real estate asset is in existence on the date on which it initially forms part of the relevant Sukuk Portfolio.

"Financing Contract" means:

- (a) an *ijara* contract entered into by the Bank or any person on its behalf (the "**Lessor**") and another person (the "**Lessee**") pursuant to which the Lessor leases a real estate asset located in Dubai (excluding the DIFC) to the Lessee, and in respect of which payments are due from the Lessee to the Lessor, including any other agreements or documents associated with that contract; or
- (b) any arrangement similar in economic effect to that described in paragraph (a) above.

"Intangible Part" means, in relation to any Tangible Sukuk, the portion of such Tangible Sukuk that does not comprise the Tangible Part of such Tangible Sukuk;

"Optional Dissolution Proportion" means, in relation to each relevant Series, such proportion (expressed as a percentage) as is determined by dividing (a) the aggregate face amount of the Optional Dissolution

Certificates by (b) the aggregate face amount of the Certificates of the relevant Series then outstanding (which, for the avoidance of doubt, will include the relevant Optional Dissolution Certificates);

"Service Agency Liabilities Amount" means, in relation to each Series, the amount of any claims, actual losses, actual costs and expenses properly incurred or suffered by the Service Agent or other payments made by the Service Agent on behalf of the Trustee, in each case in providing the Services during a Wakala Distribution Period, but does not include any amount due to the Service Agent (or any third party provider of a Liquidity Facility) under the Service Agency Agreement in respect of any Liquidity Facility;

"Sukuk Obligor" means, in relation to any Tangible Sukuk, the relevant issuer, obligor, guarantor, and/or any other person who has payment obligations thereunder, as the case may be;

"Sukuk Portfolio Income Revenues" means, in relation to a Series: (i) all profit, rental, periodic distribution amounts and other amounts payable by the relevant Asset Obligor under the terms of the relevant Asset Contracts, and all consideration, damages, insurance proceeds, compensation or other sums, in each case, in respect of, or otherwise in connection with, the Wakala Assets comprising the relevant Sukuk Portfolio; and (ii) if applicable, all Murabaha Profit Instalments payable in respect of the relevant Commodity Murabaha Investment, expressed, whenever applicable, in each case, as an amount in the Specified Currency (following conversion, if necessary, of any relevant amount(s) at the spot rate of exchange determined by the Service Agent), but in each case excluding any Sukuk Portfolio Principal Revenues;

"Sukuk Portfolio Principal Revenues" means, in relation to each Series, the Sukuk Portfolio Revenues in the nature of capital or principal (including, without limitation, any total loss and expropriation related or other insurance (including Islamic insurance) proceeds and indemnity payments) in respect of the Wakala Assets comprising the relevant Sukuk Portfolio and any payment of the outstanding face amount or par value of any Tangible Sukuk, in each case, comprising the relevant Sukuk Portfolio, expressed, whenever applicable, as an amount in the Specified Currency (following conversion, if necessary, of any relevant amount(s) at the spot rate of exchange determined by the Service Agent);

"Sukuk Portfolio Revenues" means, in relation to each Series, the Sukuk Portfolio Income Revenues and the Sukuk Portfolio Principal Revenues in respect of that Series;

"Tangibility Event Exercise Price" means, in relation to each Series, an amount equal to

- (a) the aggregate of:
 - (i) the aggregate face amount of the relevant Certificates to be redeemed on the Tangibility Event Put Option Date; plus
 - (ii) an amount equal to all accrued and unpaid Periodic Distribution Amounts (if any) relating to the relevant Certificates; plus
 - (iii) if all of the Certificates of a Series are being redeemed, to the extent not previously satisfied in accordance with the Service Agency Agreement, an amount equal to the sum of any outstanding (i) amounts repayable in respect of any Liquidity Facility; and (ii) any Service Agency Liabilities Amounts; plus
 - (iv) without double counting, an amount representing any amounts payable by the Trustee (in any capacity) under the Transaction Documents (including but not limited to amounts due but unpaid pursuant to Condition 6(b)(i) (*Application of Proceeds from Trust Assets*)); plus
 - (v) without double counting, any other amounts payable in relation to the relevant Certificates as specified in the applicable Final Terms;
- (vi) less
- (b) the applicable portion of the aggregate amounts of Deferred Sale Price then outstanding (if any) in respect of the relevant Series on the date of the relevant Exercise Notice;

"Tangibility Ratio" means, in relation to each Series, the ratio of: (a) the aggregate Value of the Financing Assets and the Tangible Part of the Tangible Sukuk forming part of the Sukuk Portfolio of the relevant Series to (b) the Sukuk Portfolio Value relating to such Series, expressed as a percentage;

"Tangible Sukuk" means any sukuk or trust certificates which are tradable in accordance with the AAOIFI *Shari'a* Standards as interpreted by the Internal Shariah Supervision Committee of the Seller (and includes any Tangible Sukuk Contracts in relation to the sukuk or trust certificates, all amounts payable thereunder (including, but not limited to, periodic distribution amounts) and all rights, interests, benefits and entitlements in, to and under such Tangible Sukuk Contracts).

"Tangible Sukuk Contracts" means the contracts and/or other agreements and/or documents evidencing or otherwise related to or associated with any Tangible Sukuk (including, without limitation, the terms and conditions of such Tangible Sukuk).

"Tangible Part" means, in relation to any Tangible Sukuk, the relevant issuer, obligor, guarantor, and/or any other person who has payment obligations thereunder, as the case may be:

- (a) all of the underlying assets are tangible assets, 100 per cent. of such Tangible Sukuk; or
- (b) where some but not all of the underlying assets are tangible assets, the portion of such Tangible Sukuk corresponding to the minimum tangibility requirement (expressed as a percentage) that:
 - (i) is required to be satisfied during the tenor of such Tangible Sukuk post the issue date thereof; or
 - (ii) if there is no such requirement, was required to be satisfied on the relevant issue date of such Tangible Sukuk,

in each case, as further detailed in the relevant legal documentation relating to such Tangible Sukuk as determined by the Internal Shariah Supervision Committee of the Bank and if no such requirement is detailed in the relevant legal documentation relating to such Tangible Sukuk, as otherwise determined by the Internal Shariah Supervision Committee of the Bank;

"Value" means, in relation to each Series, on any date, the amount in the Specified Currency determined by the Service Agent, as the context requires:

- (a) in respect of any Financing Assets applicable to the relevant Series which are:
 - (i) leased on an *ijara* or financial lease basis, the aggregate of all outstanding fixed rental instalment amounts payable by the relevant Lessee and other equivalent fixed instalment amounts payable by the relevant Lessee in the nature of capital or principal in respect of the relevant Financing Asset, or
 - (ii) not leased on an *ijara* or financial lease basis, the initial agreed value or the outstanding base amounts or other equivalent fixed instalment amounts payable by the relevant Lessee or any other amounts in the nature of capital or principal payments in respect of the relevant Financing Asset;
- (b) in the case of the Tangible Part of a Tangible Sukuk, the product of:
 - (i) the outstanding face amount of such Tangible Sukuk; and
 - (ii) where in respect of the underlying assets associated with such Tangible Sukuk:
 - (A) all of the underlying assets are tangible assets, 100 per cent.; or
 - (B) where some but not all of the underlying assets are tangible assets, the minimum tangibility requirement (expressed as a percentage) that:
 - (1) is required to be satisfied during the tenor of such Tangible Sukuk post the issue date thereof; or

- (2) if there is no such requirement, was required to be satisfied on the relevant issue date of such Tangible Sukuk,
- in each case, as further detailed in the relevant legal documentation relating to such Tangible Sukuk;
- (c) in the case of the Intangible Part (if any) of a Tangible Sukuk:
- (i) (if a proportion of the proceeds of the issue of such Tangible Sukuk were utilised by the issuing entity of such Tangible Sukuk to enter into a commodity murabaha transaction and provided that the murabaha profit instalment amounts (or equivalent term detailed in the relevant Tangible Sukuk Contract) relating to such commodity murabaha transaction can be determined by the Service Agent from, to the extent relevant, any publicly available offering document (or related document) prepared by the issuing entity in connection with the issue of such Tangible Sukuk), the amount equal to the aggregate of: (x) the outstanding face amount of such Tangible Sukuk less the aggregate amount calculated in accordance with paragraph (b) above (the "**Intangible Face Amount**"); and (y) the aggregate outstanding murabaha profit instalment amounts (or equivalent term detailed in the relevant Tangible Sukuk Contract) relating to such commodity murabaha transaction; and
- (ii) in all other cases, the Intangible Face Amount;
- (d) in the case of a Tangible Sukuk, the aggregate of the amount determined in accordance with paragraph (b) above and, if applicable to the relevant Tangible Sukuk, paragraph (c) above, in each case, in respect of such Tangible Sukuk;
- (e) in respect of any Commodity Murabaha Investment applicable to the relevant Series, the aggregate of all amounts of the relevant Deferred Sale Price then outstanding and any other outstanding amounts payable in respect of such Commodity Murabaha Investment on or after the relevant date; and
- in respect of any Sukuk Portfolio Principal Revenues relating to the relevant Series, the amount of such Sukuk Portfolio Principal Revenues standing to the credit of the relevant Principal Collection Account on such date;

"Wakala Distribution Period" means, in relation to a Series, the period beginning on (and including) the Issue Date of the first Tranche of such Series and ending on (but excluding) the first Wakala Distribution Date and each successive period beginning on (and including) a Wakala Distribution Date and ending on (but excluding) the next succeeding Wakala Distribution Date; and

"Wakala Ownership Period" means, in relation to each Series, the period commencing on the Issue Date of the first tranche of such Series and ending on the date on which all of the Certificates of that Series are redeemed in full.

TAXATION

The following is a general description of certain tax considerations relating to the Certificates. It does not purport to be a complete analysis of all tax considerations relating to the Certificates, whether in those countries or elsewhere. Prospective purchasers of Certificates should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Certificates and receiving payments of profit, principal and/or other amounts under the Certificates and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.

Dubai and the United Arab Emirates

The following is a general summary of the current tax law and practice in the UAE in force at the date of this Base Prospectus and does not constitute legal or tax advice. Prospective investors in the Certificates are advised to consult their own tax advisers with respect to the tax consequences under the tax laws of the country in which they are resident, or of the purchase, ownership or disposition of the Certificates or any interest therein.

There are currently no withholding taxes required to be levied under UAE, Abu Dhabi or Dubai law in respect of payments on debt securities (including in relation to the Certificates). In the event of the imposition of any withholding in future, the Trustee has undertaken to gross-up any payments subject to certain limitations, as described in Condition 11 (*Taxation*).

The Constitution of the UAE specifically reserves to the Federal Government of the UAE the right to revise taxes on a federal basis for the purposes of funding its budget. It is not known whether this right will be exercised in the future. See further "*Risk Factors - Tax changes in the UAE may have an adverse effect on the Bank*".

The UAE has entered into double taxation arrangements with certain countries, but these are not extensive in number.

Cayman Islands

The following is a discussion of certain Cayman Islands tax consequences of an investment in the Certificates. The discussion is a general summary of present law, which is subject to prospective and retroactive change. It is not intended as tax advice, does not consider any investor's particular circumstances, and does not consider tax consequences other than those arising under Cayman Islands law.

Under existing Cayman Islands law, payments by the Trustee on Certificates to be issued under the Programme will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of principal or profit to any holder of the Certificates nor will gains derived from the disposal of the Certificates be subject to Cayman Islands income or corporation tax.

There are no income, corporation, capital gains tax or estate duty, inheritance tax or gift tax in effect in the Cayman Islands on the basis of present legislation. The Trustee has obtained an undertaking from the Governor-in-Cabinet of the Cayman Islands, pursuant to the Tax Concessions Act (As Revised) of the Cayman Islands, that for a period of 30 years from the date of issue (being 26 February 2024) no law which is thereafter enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciation shall apply to the Trustee or its operations and, in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable on or in respect of the shares, debentures or other obligations (which would include the Certificates) of the Trustee or by way of the withholding in whole or part of any relevant payment (as defined in the Tax Concessions Act (As Revised)). No capital or stamp duties are levied in the Cayman Islands on the issue or redemption of Certificates. An instrument of transfer in respect of a Certificate may be stampable if executed in or brought to the Cayman Islands. An annual registration fee is payable by the Trustee to the Cayman Islands Registrar of Companies which is calculated by reference to the nominal amount of its authorised capital. At current rates, this annual registration fee is approximately U.S.\$1,006. The foregoing is based on current law and practice in the Cayman Islands and this is subject to change therein.

The proposed financial transactions tax

On 14 February 2013, the European Commission published a proposal (the "**Commission's proposal**") for a Directive for a common financial transaction tax ("**FTT**") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's proposal has very broad scope and could, if introduced, apply to certain dealings in Certificates (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

Under the Commission's proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Certificates where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including: (i) by transacting with a person established in a participating Member State; or (ii) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Certificates are advised to seek their own professional advice in relation to the FTT.

FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, as amended, commonly known as FATCA, a "**foreign financial institution**" (as defined by FATCA) may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting or related requirements. The Trustee may be classified as a foreign financial institution for these purposes. A number of jurisdictions (including the UAE and the Cayman Islands) have entered into, or have agreed in substance to, intergovernmental agreements ("**IGAs**") with the United States to implement FATCA, which modify the way in which FATCA applies in their jurisdictions. Under the provisions of the IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Certificates, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Certificates, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Certificates, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payment are published in the U.S. Federal Register and Certificates issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are published generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. However, if additional Certificates (as described under "*Terms and Conditions of the Certificates—Further Issues*") that are not distinguishable from previously issued Certificates are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Certificates, including the Certificates offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Certificateholders should consult their own tax advisers regarding how these rules may apply to their investment in Certificates.

SUBSCRIPTION AND SALE

The Dealers have, in a programme agreement dated 18 July 2024 (the "**Programme Agreement**"), agreed with the Trustee and the Bank, a basis on which they or any of them may from time to time agree to purchase Certificates. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Certificates, the price at which such Certificates will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Trustee in respect of such purchase. The Programme Agreement will make provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Series of Certificates.

General

Each Dealer has represented, warranted and undertaken, and each further Dealer appointed under the Programme will be required to represent, warrant and undertake, that it has (to the best of its knowledge and belief) complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Certificates or possesses or distributes this Base Prospectus or any Drawdown Prospectus or any Final Terms or Pricing Supplement (as applicable) or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus, any Final Terms or any Pricing Supplement comes are required by the Trustee, the Bank and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Certificates or possess, distribute or publish this Base Prospectus, any Final Terms or any Pricing Supplement or any related offering material, in all cases at their own expense.

The Programme Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out below) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph above.

With regard to each Series, the relevant Dealer will be required to comply with such other restrictions as the Trustee, the Bank and the relevant Dealer shall agree and as shall be set out in the applicable subscription agreement, Dealer accession letter or a Dealer confirmation, as the case may be, or, in the case of Exempt Certificates or Certificates which are the subject of a Pricing Supplement or Drawdown Prospectus, the applicable Pricing Supplement or Drawdown Prospectus.

Selling restrictions may be supplemented or modified with the agreement of the Trustee and the Bank. Any such supplement or modification may be set out in a supplement to this Base Prospectus.

United States of America

The Certificates have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Programme Agreement, it will not offer, sell or deliver Certificates: (i) as part of their distribution at any time; or (ii) otherwise until 40 days after the completion of the distribution of the Certificates comprising the relevant Tranche within the United States or to, or for the account or benefit of, U.S. persons, except in accordance with Regulation S or pursuant to an available exemption from, or in a transaction not subject to, registration under the Securities Act, and such Dealer will have sent to each dealer to which it sells Certificates during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Certificates within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the completion of the distribution of the Certificates comprising the relevant Tranche, as described above, any offer or sale of Certificates within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Terms used in these paragraphs have the meanings given to them by Regulation S under the Securities Act.

Public Offer Selling Restrictions under the Prospectus Regulation

In relation to each Member State of the EEA, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not made and will not make an offer of Certificates which are the subject of the offering contemplated by this Base Prospectus as completed by the applicable Final Terms in relation thereto (or are the subject of the offering contemplated by a Drawdown Prospectus, as the case may be) to the public in that Member State, except that it may make an offer of such Certificates to the public in that Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Trustee and/or the Bank (if applicable) for any such offer; or
- (c) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that, no such offer of Certificates referred to above shall require the Trustee, the Bank or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression "**an offer of Certificates to the public**" in relation to any Certificates in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe for Certificates and the expression "**Prospectus Regulation**" for the purposes of this paragraph means Regulation (EU) 2017/1129.

United Kingdom

Public offer selling restrictions under the UK Prospectus Regulation

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not made and will not make an offer of Certificates which are the subject of the offering contemplated by this Base Prospectus as completed by the applicable Final Terms in relation thereto (or are the subject of the offering contemplated by a Drawdown Prospectus, as the case may be) to the public in the United Kingdom except that it may make an offer of such Certificates to the public in the United Kingdom:

- (a) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Trustee and/or the Bank (if applicable) for any such offer; or
- (c) at any time in any other circumstances falling within section 86 of the FSMA,

provided that, no such offer of Certificates referred to above shall require the Trustee, the Bank or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression "**an offer of Certificates to the public**" in relation to any Certificates means the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe for Certificates and the expression "**UK Prospectus Regulation**" for the purposes of this paragraph means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

Other regulatory provisions

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

- (a) in relation to any Certificates which have a maturity of less than one year: (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and (ii) it has not offered or sold and will not offer or sell any Certificates other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Certificates would otherwise constitute a contravention of Section 19 of the FSMA by the Trustee;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Certificates in circumstances in which Section 21(1) of the FSMA does not or in the case of the Bank, would not, if the Bank was not an authorised person, apply to the Trustee or the Bank; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Certificates in, from or otherwise involving the United Kingdom.

Hong Kong

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Certificates, other than: (i) to "**professional investors**" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong ("**SFO**") and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMPO)**") or which do not constitute an offer to the public within the meaning of the C(WUMPO); and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Certificates, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Certificates which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Japan

The Certificates have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948), as amended the "**FIEA**"). Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it will not, directly or indirectly, offer or sell any Certificates in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other relevant laws and regulations of Japan. As used in this paragraph, "**resident of Japan**" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

Malaysia

This Base Prospectus has not been registered as a prospectus with the Securities Commission of Malaysia under the CMSA. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer

appointed under the Programme will be required to represent, warrant and agree, that the Certificates have not been and will not be offered, sold or delivered, and no invitation to subscribe for or purchase the Certificates has been or will be made, directly or indirectly, nor may any document or other material in connection therewith be distributed in Malaysia, other than to persons falling within any one of the categories of persons specified under Part I of Schedule 6 or Section 229(1)(b) and Part I of Schedule 7 or Section 230(1)(b) and Schedule 8 or Section 257(3), read together with Schedule 9 or Section 257(3), of the CMSA, subject to any law, order, regulation or official directive of the Central Bank of Malaysia, the Securities Commission of Malaysia and/or any other regulatory authority from time to time.

Residents of Malaysia may be required to obtain relevant regulatory approvals including approval from the Controller of Foreign Exchange to purchase any Certificates. The onus is on the Malaysian residents concerned to obtain such regulatory approvals and none of the Dealers is responsible for any invitation, offer, sale or purchase of any Certificates as aforesaid without the necessary approvals being in place.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed and each further Dealer appointed under the Programme will be required to represent, warrant and agree that it has not offered or sold any Certificates or caused such Certificates to be made the subject of an invitation for subscription or purchase and will not offer or sell any Certificates or cause the Certificates to be made the subject of an invitation for subscription or purchase and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Certificates, whether directly or indirectly, to any person in Singapore other than: (a) to an institutional investor (as defined in Section 4A of the SFA), pursuant to Section 274 of the SFA; or (b) to an accredited investor (as defined in Section 4A of the SFA), pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

United Arab Emirates (excluding the Abu Dhabi Global Market and the Dubai International Financial Centre)

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that the Certificates to be issued under the Programme have not been and will not be offered, sold or publicly promoted or advertised by it in the UAE (excluding the Abu Dhabi Global Market and the Dubai International Financial Centre) other than in compliance with any laws applicable in the UAE governing the issue, offering and sale of securities.

Abu Dhabi Global Market

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered and will not offer the Certificates to be issued under the Programme to any person in the Abu Dhabi Global Market unless such offer is:

- (a) an "**Exempt Offer**" in accordance with the Market Rules Module of the Financial Services Regulatory Authority rulebook (the "**FSRA Rulebook**"); and
- (b) made only to persons who meet the Professional Client criteria set out in Rule 2.4.1 of the Conduct of Business Module of the FSRA Rulebook.

Dubai International Financial Centre

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered and will not offer the Certificates to be issued under the Programme to any person in the Dubai International Financial Centre unless such offer is:

- (a) an "**Exempt Offer**" in accordance with the Markets Rules (MKT) Module of the Dubai Financial Services Authority rulebook (the "**DFSA Rulebook**"); and

- (b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the Conduct of Business Module of the DFSA Rulebook.

Kingdom of Saudi Arabia

No action has been or will be taken in the Kingdom of Saudi Arabia that would permit a public offering of the Certificates. Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a "**Saudi Investor**") who acquires any Certificates pursuant to an offering should note that the offer of Certificates is a private placement under Article 8 of the "Rules on the Offer of Securities and Continuing Obligations" as issued by the Board of the Capital Market Authority pursuant to its resolution number 3-123-2017 dated 9/4/1439H (corresponding to 27 December 2017), as amended by its resolution number 3-6-2024 dated 05/07/1445H (corresponding to 17 January 2024) and as further amended from time to time (the "**Offer of Securities Rules**"), made through a capital market institution licensed to carry out arranging activities by the CMA and following a notification to the Capital Market Authority under Article 10 of the KSA Regulations.

The Certificates to be issued under the Programme may thus not be advertised, offered or sold to any person in the Kingdom of Saudi Arabia other than to "institutional and qualified clients" under Article 8(a)(1) of the KSA Regulations or by way of a limited offer under Article 9 of the KSA Regulations. Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that any offer of Certificates made by it to a Saudi Investor will be made in compliance with Article 10 and either Article 8(a)(1) or Article 9 of the KSA Regulations.

Each offer of Certificates shall not therefore constitute a "public offer", an "exempt offer" or a "parallel market offer" pursuant to the KSA Regulations, but is subject to the restrictions on secondary market activity under Article 14 of the KSA Regulations.

Kingdom of Bahrain

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold, and will not offer or sell, any Certificates except on a private placement basis to persons in the Kingdom of Bahrain who are "accredited investors".

For this purpose, an "**accredited investor**" means:

- (a) an individual who has a minimum net worth (or joint net worth with their spouse) of U.S.\$1,000,000 (excluding that person's principal place of residence);
- (b) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than U.S.\$1,000,000;
- (c) a government, supranational organisation, central bank or other national monetary authority or a state organisation whose main activity is to invest in financial instruments (such as a state pension fund); or
- (d) any other entity which is an "accredited investor" as defined in the Central Bank of Bahrain Rulebook.

Cayman Islands

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that no offer or invitation, whether directly or indirectly, to subscribe for the Certificates has been or will be made to any member of the public in the Cayman Islands.

GENERAL INFORMATION

Authorisation

The establishment of the Programme was duly authorised by a resolution of the Board of Directors of the Trustee dated 15 March 2024. The Trustee has obtained all necessary consents, approvals and authorisations in the Cayman Islands in connection with the issue and performance of the Certificates. The entry into the Transaction Documents to which it is a party was authorised by resolutions of the board of directors of the Bank dated 26 July 2023 and a resolution of the shareholders of the Bank passed on 19 December 2023.

Listing of Certificates

It is expected that each Tranche of Certificates which is to be admitted to the Official List and to trading on the regulated market of Euronext Dublin will be admitted separately as and when issued, subject only to the issue of a Global Certificate initially representing the Certificates of such Tranche.

Application has been made: (i) to the Central Bank of Ireland for Certificates issued under the Programme to be admitted to the Official List; and (ii) to Euronext Dublin for such Certificates to be admitted to trading on the regulated market of Euronext Dublin. Euronext Dublin's regulated market is a regulated market for the purposes of MiFID II. The listing of the Programme in respect of Certificates is expected to be granted on or around 18 July 2024.

Walkers Listing Services Limited is acting solely in its capacity as listing agent for the Trustee in connection with the Programme and is not itself seeking admission of the Certificates issued under the Programme to the Official List or trading on the regulated market of Euronext Dublin for the purposes of the Prospectus Regulation.

Legal and Arbitration Proceedings

Save as described in "*Description of the Bank – Regulatory – 2021 Consent Order*", neither the Bank nor any of its subsidiaries is or has been involved in any governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Bank is aware) which may have or have had in the 12 months preceding the date of this Base Prospectus a significant effect on the financial position or profitability of the Bank and its subsidiaries.

Significant/Material Change

There has been no significant change in the financial position or financial performance of the Bank and its subsidiaries since 31 March 2024 and there has been no material adverse change in the prospects of the Bank since 31 December 2023.

There has been no significant change in the financial performance or financial position of the Trustee and no material adverse change in the financial position or prospects of the Trustee, in each case, since the date of its incorporation.

Auditors

The current auditors of the Bank are Deloitte & Touche (M.E.) ("**Deloitte**"). Deloitte is a registered audit firm in the UAE, operating under professional licences issued by the Dubai Economic Department and the UAE Ministry of Economy. Under the UAE Commercial Companies Law No. 32 of 2021, PwC, the previous auditors of the Issuer were due for rotation in 2022 and Deloitte was appointed as the Bank's auditor for the financial year 2023. There is no professional institute of auditors in the UAE and, accordingly, Deloitte is not a member of a professional body in the UAE. All of Deloitte's professionals and partners directly involved in the audit are members of the institutes from where they received their professional qualifications. The address of Deloitte is Building 2, Level 3, Emaar Square, Downtown Dubai, P.O. Box 4254, Dubai, United Arab Emirates.

Since the date of its incorporation, no financial statements of the Trustee have been prepared. The Trustee is not required by Cayman Islands law, and does not intend, to publish audited financial statements.

Documents on Display

For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available, during normal business hours on any day (excluding Saturdays, Sundays and public holidays), for inspection and/or collection from the registered office of the Trustee and from the specified office of the Principal Paying Agent:

- (a) the Memorandum and Articles of Association of the Trustee and the Bank (together with, in the case of the Bank only, direct and accurate English translations thereof);
- (b) the Financial Statements;
- (c) each Final Terms, the other Transaction Documents, the Corporate Services Agreement and the forms of the Global Certificate and the Certificates in definitive form (save that such documents relating to a Certificate which is neither admitted to trading on (i) a regulated market in the EEA or (ii) a UK regulated market as defined in UK MiFIR nor offered in (i) the EEA or (ii) the United Kingdom in circumstances where a prospectus is required to be published under the Prospectus Regulation or the FSMA, respectively, will only be available for inspection by a holder of such Certificate and such holder must produce evidence satisfactory to the Trustee and the Principal Paying Agent as to its holding of Certificates and identity) and any other documents incorporated herein or therein by reference; and
- (d) a copy of this Base Prospectus together with any future supplements to the Base Prospectus.

This Base Prospectus will be published on the website of the Bank at <https://www.mashreq.com/en/uae/about-us/investors/financial-information/sukuk-documents/>.

In addition, this Base Prospectus and each Final Terms (but not, for the avoidance of doubt, any Pricing Supplement) are available on the Euronext Dublin's website at <https://live.euronext.com/>. The Master Declaration of Trust, the Agency Agreement and the Memorandum and Articles of Association of the Trustee will be available for viewing on the Bank's website at <https://www.mashreq.com/en/uae/about-us/investors/financial-information/sukuk-documents/>. The Memorandum and Articles of Association of the Bank are available for viewing on the Bank's website at <https://www.mashreq.com/en/uae/about-us/our-company/moa-aoa/>.

Clearing Systems

The Certificates have been accepted for clearance through Euroclear and Clearstream, Luxembourg.

The appropriate common code and the International Securities Identification Number in relation to the Certificates of each Series will be specified in the applicable Final Terms. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Certificates for clearance together with any further appropriate information.

The address of Euroclear is 1 Boulevard Du Roi Albert II, 1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue J. F. Kennedy, 1855 Luxembourg.

Dealers transacting with the Bank and its Subsidiaries

Certain of the Dealers and their respective affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Bank and its affiliates in the ordinary course of business for which they have received, and for which they may in the future receive, fees.

In addition, in the ordinary course of their business activities, the Dealers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Bank or the Bank's affiliates. Certain of the Dealers or their respective affiliates that have a lending relationship with the Bank and its affiliates routinely hedge their credit exposure to the Bank and its affiliates consistent with their customary risk management policies. Typically, such Dealers and their respective affiliates would hedge such exposure by entering into transactions which consist of either the

purchase of credit default swaps or the creation of short positions in securities, including potentially the Certificates issued under the Programme. Any such short positions could adversely affect future trading prices of Certificates issued under the Programme. The Dealers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

In connection with an offering of Certificates issued under the Programme, each Dealer and/or its affiliate(s) may act as an investor for its own account and may take up Certificates in the offering and in that capacity may retain, purchase or sell for its own account such Certificates and any securities of the Trustee or related investments and may offer or sell such securities or other investments otherwise than in connection with an offering. Accordingly, references herein to the Certificates being offered should be read as including any offering of the Certificates to the Dealers and/or their respective affiliates acting in such capacity. Such persons do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

Cayman Islands Data Protection

The Trustee has certain duties under the Data Protection Act (As Revised) of the Cayman Islands (the "DPA") based on internationally accepted principles of data privacy.

Prospective investors should note that, by virtue of making investments in the Certificates and the associated interactions with the Trustee and its affiliates and/or delegates, or by virtue of providing the Trustee with personal information on individuals connected with the investor (for example directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners or agents) such individuals may be providing the Trustee and its affiliates and/or delegates (including, without limitation, the Trustee Administrator) with certain personal information which constitutes personal data within the meaning of the DPA. The Trustee shall act as a data controller in respect of this personal data and its affiliates and/or delegates, such as the Trustee Administrator, may act as data processors (or data controllers in their own right in some circumstances).

For further information on the application of the DPA to the Trustee, please refer to the Privacy Notice (a copy of which may be accessed at: <https://www.walkersglobal.com/external/SPVDPNotice.pdf>), which provides an outline of investors' data protection rights and obligations as they relate to the investment in the Certificates.

Oversight of the DPA is the responsibility of the Ombudsman's office of the Cayman Islands. Breach of the DPA by the Trustee could lead to enforcement action by the Ombudsman, including the imposition of remediation orders, monetary penalties or referral for criminal prosecution.

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